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ASEAN To Adopt Free-Trade Area Proposal

BK1512094491 Hong Kong AFP in English 0931 GMT 15 Dec 91

[Text] Singapore, Dec 15 (AFP)—The Association of Southeast Asian Nations (ASEAN) summit next month is expected to adopt a proposal for a free-trade area with no further major changes, Singapore Deputy Prime Minister Lee Hsien Loong said.

Brigadier-General Lee told AFP [AGENCE FRANCE-PRESSE] that the ASEAN leaders would sign a framework agreement which would have no more than technical modifications of the plan adopted in dilluted form by economic ministers in Kuala Lumpur in October.

The summit would also likely discuss making ASEAN's former nemesis Vietnam a dialogue partner, said Lee, son of Singapore's first premier Lee Kwan Yew. But he stressed future cooperation depended on Hanoi pursuing free-market reforms.

The heads of government of member-states Singapore, Malaysia, Thailand, Indonesia, the Philippines and Brunei will meet here on January 27-28 for the first ASEAN summit since the gathering in Manila in 1987.

ASEAN has made relative progress to boost economic cooperation since its formation in 1967. But Lee said the landscape was different with the Cambodian conflict settled and other regions working toward greater integration.

"The pressure is greater now for us to make some headway in economic cooperation," said Lee, also trade and industry minister. "The Americans are moving, the Europeans are moving. We need to improve our position."

Last week's historic decision to establish a European economic union "intrinsically is not bad for us," Lee said, but he conceded its market investment opportunities could drain capital away from Asia.

Asked if he believed EC pledges not to create a "Fortress Europe," he said, "I think we will have to wait and see. There is nothing they can say which will reassure us. It's not within their power to deliver reassurance."

The ASEAN six took their boldest step toward economic cooperation in October when Lee and the other economic ministers meeting in Kuala Lumpur endorsed a proposal to create an ASEAN Free Trade Area (AFTA) within 15 years.

But the concept approved was significantly watered down from the idea first mooted by Thailand. It extended the time frame from 10 to 15 years, excluded agriculture and services, and allowed members to opt out on specific products.

Lee said officials were working on the language of a framework agreement that will be signed at the summit and might have some technical modifications. But he added, "I think the substantial proposals will not change."

He called the AFTA move "a very good first step" and said the exclusion of agriculture and services was not worrying since even the developed countries could not agree on these in world trade talks.

The minister also defended the so-called "Six Minus X" formula that allows an individual country to stay out of arrangements to lower tariffs in areas where they feel particularly vulnerable.

Lee aknowledged that the Philippines and Indonesia were particularly cautious and said: "To demand that all countries participate before an item can be included in the free trade arrangement is to slow things down considerably."

Also on the summit agenda, Lee said, will be the Malaysian proposal for an East Asian Economic Caucus (EAEC) that has been diluted considerably since Kuala Lumpur first presented it as a trade bloc last year.

Facing strong opposition fron the United States, which was not included in the proposed caucus, the ASEAN economic ministers endorsed a body without any institutional framework, fixed agenda or timetable for meeting.

Lee was unable to say whether the proposal would have any more substance to it by the time of the summit. "I think the officials are discussing the ideas and it's best to leave them."

ASEAN leaders will also likely take up Vietnam's hope to become an ASEAN dialogue partner as a first step toward reintegrating itself in the Asian community now that the Cambodian crisis is resolved, Lee said.

But he added that Hanoi must concentrate on putting its economic house in order. "The closer the convergence of the policies and economic philosophies, the easier it would be for us to work together and not feel we are in a three-legged race," he said.

Bankers Association Views Yen as Major Currency

OW1012114191 Tokyo KYODO in English 1049 GMT 10 Dec 91

[Text] Kuala Lumpur, Dec. 10 KYODO—Asian bankers on Tuesday expressed reluctance to use the yen as a major currency in the region, citing high appreciation and the absence of a liquid short-term money market as obstacles.

"The costly experience with yen-denominated loans and their appreciation keeps people still fearful," said Jeffrey Ku, chairman of Taiwan's China Trust Co.

"Also, the Japanese Government seems to be unwilling to have the yen as a widely accepted currency" he told a news conference at the end of the eighth general meeting of the Asian Bankers Association here.

A speaker called Monday for the internationalization of the yen because of the current global funds shortage.

Managing director of the Malayan Banking Berhad [Limited], Ahmad Mohamed Don, said investors are not keen on greater regional usage of the Japanese currency because there is no short-term yen money market to enable investors to park their funds.

"If there was something like the U.S. Treasury bill market, then maybe the yen could look more attractive because there is an additional avenue," he said.

Japan

Plans for International Contribution Tax Abandoned

OW1612120191 Tokyo KYODO in English 1134 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—The government and the ruling Liberal Democratic Party abandoned plans Monday to raise tobacco and beer taxes and take other measures as part of a 1.3-trillion-yen scheme for Japanese contributions to international projects for peace, officials said.

They said the decision to scrap the proposed tax hikes came after an overwhelming number of legislators on the party's research commission on the tax system expressed opposition to what came to be known as the "international contribution tax."

The action also dealt another setback to Prime Minister Kiichi Miyazawa, who has failed to win the passage of a bill that would allow Japanese Self-Defense Forces personnel to participate in United Nations peacekeeping operations.

Facing strong sentiment against the tax hikes, commission chairman Kabun Muto said his panel concluded that it is difficult for the LDP-led government to implement the international contribution tax.

Of the 1.3 trillion yen, 800 billon yen will be used for official development assistance and 500 billion yen will be set aside as an "international contribution fund."

But many research commission members protested the tax increases because of the fund's "obscure" purposes, a slowdown in the Japanese economy, and fears of potentially "endless" requests from abroad for Japanese financial contributions.

Miyazawa Cited on Aid for Supercollider Project

OW1612065291 Tokyo KYODO in English 0554 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—The Finance Ministry called Monday for the support of members of the ruling party's tax panel for the proposed "international contribution tax," Liberal Democratic Party (LDP) officials said.

Jiro Saito, director general of the ministry's budget bureau, told a meeting of the LDP's research commission on the tax system that Japan must contribute toward international peace and stability, but its budget of official development assistance has exceeded 800 billion yen.

It is necessary for Japan to establish a fund of 500 billion yen for international contributions to quickly respond to rapid changes overseas, Saito said.

For that purpose, it will be necessary to seek a revenue source of some 1.3 trillion yen and the government has to call on the people to bear the burden, he said.

However, many panel members objected to the idea, the officials said.

Jun Shiozaki, deputy chairman of the commission, called for a cautious approach, saying it is necessary to launch a national campaign to gain popular support for the proposed tax.

In a related development, Prime Minister Kiichi Miyazawa said Monday that Japan should extend assistance not only to developing countries but also advanced nations, indicating Japan may help fund construction of a superconducting super collider in the United States.

Miyazawa made the remarks during a meeting of government and LDP leaders, officials said.

Kabun Muto, chairman of the commission, suggested after the meeting it intends to shelve the proposed tax for the time being.

Muto told reporters, "It is difficult (to introduce the tax) under a plan presented by the Finance Ministry. (The panel) will consider the plan as a subject that should be discussed."

Watanabe: Partial Rice Market Opening Necessary

OW1512084791 Tokyo KYODO in English 0835 GMT 15 Dec 91

[Text] Utsunomiya, Dec. 15 KYODO—Foreign Minister Michio Watanabe said Sunday that Japan needs to agree to accept a partial opening of its rice market during agriculture negotiations in the Uruguay Round of global trade talks.

Watanabe made the remark during a speech to his supporters in Utsunomiya, Tochigi Prefecture.

Later at a news conference, Watanabe said, "successful negotiation needs a little concession on both sides of the table," indicating that Japan will have to compromise during current farm talks at the Uruguay Round, which is held under the auspices of the General Agreement on Tariffs and Trade (GATT).

But the foreign minister said Japan should reject the so-called idea of converting all nontariff trade barriers into tariffs that would then be gradually reduced.

"Even if Japan accepts the tariffication, it will not pass the Diet and Japan will become a liar," he said.

Watanabe also voiced support for plans to introduce a new tax to fund Japan's international aid activities.

The government and ruling Liberal Democratic Party are currently studying imposition of the so-called "international contribution tax."

Watanabe said he will greatly welcome the new tax as foreign minister and that the tax needs to be given full publicity so it is understood by the public.

Cabinet Secretary Reiterates Stance on Rice

OW1612074991 Tokyo NHK General Television Network in Japanese 0300 GMT 16 Dec 91

[Text] At a press conference this morning, Chief Cabinet Secretary Koichi Kato referred to the GATT's Uruguay Round of agricultural talks which are nearing conclusion, and said that as far as farm products are concerned—production of which is controlled by nations, as is the case with Japan regarding rice—the GATT's provisions recognizing restrictions on imports should continue to be applied.

Mr. Kato spoke about the basic thinking of the Japanese Government, noting that domestic self-supply is the basis in food supplies and that tariffication without an exception—even on rice—is difficult to accept. But he added that the Uruguay Round of talks must be concluced successfully, and insisted that there is no change in the stance that Japan will cooperate toward the successful conclusion of the negotiations.

Relating to provisions authorizing restrictions on imports of farm products to the countries controlling their production, as in the case of rice, he noted that it is true that the government wants these provisions to be retained.

But regarding how these provisions should be applied specifically, he said he cannot make a comment at this time since negotiations are now underway. He reiterated the intention of continuing to call for an exception to tariffication of agricultural products.

U.S. Automakers' Visit Called 'Political Game'

OW1412111791 Tokyo KYODO in English 0715 GMT 14 Dec 91

[Text] Tokyo, Dec. 14 KYODO—The Japanese auto industry is calling a "political" game the unprecedented forthcoming visit to Japan by top executives of the "Big Three" U.S. automakers together with U.S. President George Bush early next month.

"The motive (of the trip) is to bring about some sort of effect that will satisfy certain U.S. policymakers and citizens who are getting irritated with Japan," said one official at a major Japanese auto manufacturer.

The comment reflects recognition the Bush administration, in joining hands with the U.S. business sector, is seeking to mount pressure on Japan to rectify the widening U.S. trade deficit with Japan in autos and auto parts, now the most contentious issue in trade talks between the two countries.

However, most Japanese auto industry officials say they do not expect to have new demands thrust on them when they meet with their U.S. counterparts.

"It's highly unlikely that the 'Big Three' leaders will make new requests," an official at one major automaker said.

The official pointed to the progress already being made on a practical level in market oriented sector selective (MOSS) talks on bilateral trade in autos and auto parts.

But one maker at a medium-sized automaker said, "I don't think they're coming just for the sake of airing criticism about the Japanese car industry."

He said the U.S. could ask for a lowering of the ceiling on Japan's car exports to the U.S., currently set at 2.3 million vehicles a year under a voluntary restraint agreement that expires in March 1992.

Despite Japan's 10-year voluntary restraint in car exports to the U.S., it has done little to improve the bilateral trade imbalance, due to what the U.S. calls uncompetitive business practices in Japan.

Another factor said to impede U.S. entry into the Japanese auto market is the apparent inclination of Japanese automakers to continue contracts with Japanese parts makers after their production lines are established overseas.

While Japanese automakers have a 30 percent market share in the United States, their American counterparts hold a mere 1 percent in Japan.

In 1990, Japan's autos and auto parts accounted for almost three quarters of the nation's 41 billion dollar trade surplus with the U.S.

Trade Minister Seeks To Allay Automakers' Fears

OW1612041291 Tokyo KYODO in English 0403 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—International Trade and Industry Minister Kozo Watanabe indicated Monday the government will not press auto dealers to sell more imported cars to appease U.S. complaints about its auto trade imbalance with Japan.

In a breakfast meeting with officials of the Japan Automobile Dealers' Association, Watanabe said Japan and the U.S. agree that the bilateral talks on finished car trade will not become "result-oriented."

The minister was responding to a plea from the association asking that the bilateral talks not undermine the basic business principle of selling cars that dealers believe will sell well.

Japan and the United States agreed in July to discuss the complete car trade under their routine market-oriented sector-selective (MOSS) talks, in a bid to slim the bilateral auto and auto-parts trade gap, which last year accounted for 75 percent of the total imbalance of 41.1 billion dollars.

As part of this effort, the two countries agreed to a joint survey of finished automobiles to look into obstacles to U.S. car exports to Japan.

They also called for quick scrapping of an extra 3 percent consumption tax hike on automobiles imposed on top of the normal 3 percent consumption tax.

The government is considering keeping the auto consumption tax at 6 percent despite an earlier pledge to drop the extra 3 percent by the end of next March as one of the measures to finance a proposed "international contribution tax."

Atomic Bomb Victims Push for Bush Apology

OW1412123891 Tokyo KYODO in English 1223 GMT 14 Dec 91

[Text] Nagasaki, Dec. 14 KYODO—A group of atomic-bomb victims adopted a resolution Saturday demanding that U.S. President George Bush apologize for the nuclear bombings of Japanese cities in World War II.

Nagasaki's 15,000-member council of "Hibakushas," or atomic bomb victims, adopted the resolution at an expanded executive meeting held in the city.

The resolution demands that Bush retract remarks made in a December 1 television interview, which the group said was a refusal to apologize for the U.S. atomic bombings of Hiroshima and Nagasaki in August 1945.

It also says Bush's remarks were an attempt to justify the use of nuclear weapons and are an indication that the United States intends to use them in the future.

In addition, the council resolution demands that the Japanese Government seek a U.S. apology for the atomic bomb attacks on the two cities.

Copies of the resolution will be sent to the U.S. Embassy in Tokyo and to Japanese Government officials, including Prime Minister Kiichi Miyazawa and Foreign Minister Michio Watanabe, council officials said.

Government Urges Burma To Avoid Bloodshed

OW1612042791 Tokyo KYODO in English 0413 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—Japan urged Myanmar [Burma] to avoid bloodshed Monday, five days after military authorities closed down universities to quell demonstrations calling for the release of Nobel peace prize-winner opposition leader Aung San Suu Kyi.

"We are deeply concerned, and strongly hope that the events will not lead to violence and bloodshed," Chief Cabinet Secretary Koichi Kato told a regularly scheduled news conference.

He said that the government is not considering imposing economic sanctions, and will continue previously pledged economic assistance on a "case-by-case" basis in order to promote democratization and to meet humanitarian needs.

Myanmar Government opponents living abroad have repeatedly called on Japan, Myanmar's top aid donor, to suspend economic assistance and other contacts in order to pressure the military junta to honor the opposition group's landslide victory in 1990 elections.

When named foreign minister in November, Michio Watanabe said that the international community may have to resort to sanctions if democratization is not advanced.

Kato declined to explain under what conditions the government would support sanctions.

The top government spokesman's comments followed reports by Myanmar's official media Sunday that Suu Kyi had been expelled from the National League for Democracy for receiving "indirect foreign assistance" and for her "links with rebel organizations. [quotation marks as received]

Suu Kyi, who has been under house arrest since 1989, was formally awarded the Nobel peace prize last week during a ceremony held in her absence.

Deputy Foreign Minister Kunihiko Saito is scheduled to visit Myanmar from Tuesday to Thursday this week and hold talks with Foreign Minister U Ohn Gyaw.

Foreign Ministry Survey Team Leaves for Cambodia

OW1512141291 Tokyo NHK General Television Network in Japanese 0300 GMT 15 Dec 91

[Text] A Foreign Ministry survey team left today for Cambodia to survey what sort of cooperation Japan should provide to help that country reconstruct after peace is settled. The six-member team, led by Seiji Kojima, chief of the Research and Planning Division of the Foreign Ministry, will stay in Cambodia until 19 December. The team is set to meet with senior officials of the Supreme National Council and to tour refugee camps near Phnom Penh. In the course of a series of meetings and tours, the team will assess how much emergency food and medicine Cambodia needs, and survey areas Japan could cooperate in with that country in the medium to long term and how Cambodia is prepared to receive foreign assistance. The survey team plans to examine Japan's concrete technological and financial cooperation for Cambodia based on the survey results.

Foreign Minister Discusses Aid for Philippines

OW1612081391 Tokyo KYODO in English 0734 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—The Philippines should work harder to ensure the effective use of Japanese economic assistance if it wants the flow of aid to continue unimpeded, Foreign Minister Michio Watanabe said Monday.

Officials said Watanabe made the remarks in a meeting with Philippine Finance Minister Jesus Estanislao, who came to Japan on Sunday for a three-day unofficial visit.

Watanabe told Estanislao that Japanese taxpayers are now closely watching how Japan's massive aid program is being implemented.

He said that if Japan's aid to the Philippines turns out to be ineffective, "it might cause difficulties" in decisions on successive aid to that country.

"So we strongly hope that the Philippine Government will make maximum efforts to ensure that Japanese aid is more fruitful," he was quoted as saying.

Japan is the Philippines largest aid befactor, having extended 647 million dollars in 1990.

The Japanese media has reported on several cases of allegedly ineffective aid projects.

Officials said Watanabe told Estanislao that Japan understands the financial difficulties facing the Philippine Government because of a recent series of natural calamities.

They said he confirmed Japan's current policy of "extending maximum assistance to the Philippines' nation-building efforts."

Watanabe said Japan hopes to see an early conclusion to the Philippine Government's talks with the International Monetary Fund (IMF) and called on it to make greater efforts to stabilize the economy and implement economic reforms.

Officials said the foreign minister was alluding to the talks already under way between the two parties, the successful conclusion of which is a precondition for Japanese aid to the Philippines for the next fiscal year, beginning in April.

Last month, the Philippines and the IMF agreed on a broad financial framework, but failed to conclude a stabilization program for the economy, despite two weeks of negotiations.

Officials said Estanislao pledged to Watanabe that his government will do its very best to implement aid projects effectively. He also pledged efforts with regard to IMF economic management programs.

Officials said Estanislao reminded Watanabe that Manila is anxiously awaiting bilateral pledges of debt relief assistance based on a fundamental agreement reached in June with the world's major creditor nations, which are grouped in the so-called Paris Club.

He also called on creditor nations to extend more financial assistance to ease the disastrous effects of last June's eruption of Mt. Pinatubo.

Soviet Economist Meets Trade Minister Watanabe

OW1612120791 Tokyo KYODO in English 1129 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 (KYODO)—Grigory Yavlinskiy, a top Soviet economic strategist, indicated Monday the Federal Bank for Debt Coordination will continue to exist even after the demise of the Union.

Yavlinskiy told International Trade and Industry [MITI] Minister Kozo Watanabe that it is more efficient to use the existing bank than to create similar banks in each republic, which he said would take considerable time, a ministry official said.

There are widespread fears that the Soviet Bank for Foreign Economic Affairs will vanish with the collapse of the Union and the formation of the Commonwealth of Independent States.

The official said Yavlinskiy repeatedly asked Watanabe "to recognize the importance of the bank."

The MITI chief also assured Yavlinskiy Japan will not alter its aid policy for the Soviets as long as they continue to pursue the path to a market economy.

He told Yavlinskiy that he hopes the country will overcome the current turmoil and move forward with economic reforms.

Talks With PRC on Seamless Pipes Conclude

OW1312084891 Tokyo KYODO in English 0831 GMT 13 Dec 91

[Text] Tokyo, Dec. 13 (KYODO)—Nippon Steel Corp. and three other Japanese steel pipe manufacturers have agreed to ship about 200,000 tons of seamless steel pipes to China in the February-July period, company officials said Friday.

They said the amount of scheduled exports to China National Metals and Minerals Import and Export Corp. was little changed from the export volume under the previous contract, which covered shipments in the current September-January period.

The officials said the contract price was slightly lower than that under the previous contract.

Miyazawa Plans 'Pump-Priming' Measures This Year

OW1412115291 Tokyo KYODO in English 1133 GMT 14 Dec 91

[Text] Tokyo, Dec. 14 KYODO—Prime Minister Kiichi Miyazawa, concerned over the uncertain outlook of the Japanese economy, plans to take "pump-priming" measures by the end of the year, sources close to Miyazawa reported Saturday [14 December].

The sources said Miyazawa summoned Chief Cabinet Secretary Koichi Kato and other aides to a meeting Saturday to discuss urgent tasks the prime minister faces, including the 1992 fiscal budget.

Miyazawa ordered aides to study effective measures, such as positive implementation of monetary and financial policies in order to overcome the stern economic situation confronting his administration, they said.

Miyazawa, who took office early last month, has told the Diet he would remove real estate transaction lending restraints, which have been in force since April last year.

He also vowed to take measures to improve quality of life for Japanese people.

The sources said Miyazawa and his aides also discussed a variety of political and economic issues, including the opening of Japan's rice market, political reform, and an apparently doomed bill which would have allowed Japan's Self-Defense Forces personnel to participate in U.N. peacekeeping operations.

They said Miyazawa's aides reaffirmed that Japan would continue to pursue its standing policy opposing liberalization of the rice market.

Bank of Japan Rules Out 'Imminent' Rate Cut

OW1612130191 Tokyo KYODO in English 1218 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 KYODO—A senior Finance Ministry official Monday ruled out an imminent cut in the official discount rate by the Bank of Japan.

The official, who declined to be identified by name, made the remark in connection with reports that Prime Minister Kiichi Miyazawa will implement pump-priming measures to prop up the sagging domestic economy toward the end of this year.

The official said the reports apparently stemmed from a series of fiscal and monetary measures taken by the Miyazawa cabinet, including a discount rate cut in November.

"I have not been informed of new fiscal measures (planned by the Miyazawa government)," he said.

The Finance Ministry is monitoring the impact of the previous 0.5 percentage point discount rate cut to 4.5 percent carried out November 14, the official said.

Tax Commission Favors Extending Temporary Taxes

OW1312152691 Tokyo KYODO in English 1313 GMT 13 Dec 91

[Text] Tokyo, Dec. 13 (KYODO)—The government's Tax Commission published Friday [13 December] a draft report on tax reform in fiscal 1992, calling for extension of the temporary corporate tax and special 6 percent consumption tax on automobiles.

The temporary taxes, introduced to fund Japan's contributions related with the Persian Gulf crisis, were to have expired next March, the end of fiscal 1991.

The report opposed an introduction of new taxes but recommended an extension of the temporary ones in consideration of the government's tight finances, officials said.

The commission is expected to officially endorse the report in a general meeting next Wednesday and submit it to Prime Minister Kiichi Miyazawa.

The officials said all members of the commission opposed introduction of the so-called international contribution tax, proposed by some members of the ruling Liberal Democratic Party (LDP).

The report said the government should issue more construction bonds for long-term public investmemts and cut back on spending to deal with an expected revenue shortfall of 2.2 trillion yen in the fiscal 1992 budget while refraining from issuing deficit-covering bonds.

If such action fails to meet a revenue shortfall, tax increases may be considered to produce income similar in size to that estimated from the extra corporate tax (440 billion yen), and the 6 percent consumption tax on autos (200 billion yen), the report said.

Meanwhile, Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, expressed opposition Friday to the international contribution tax idea.

Officials said Ishikawa made his position known in a meeting with Yoshiro Mori, chairman of the LDP's Policy Affairs Research Council.

Ishikawa said an "easy" tax raise in the name of international contribution could worsen Japan's economic slowdown.

Leaders of the Federation of Economic Organizations (Keidanren) expressed opposition to the proposal to LDP officials earlier in the day.

Money Supply Expands 'Slightly' During Nov

OW1612111891 Tokyo KYODO in English 1036 GMT 16 Dec 91

[Text] Tokyo, Dec. 16 (KYODO)—Japan's broad money supply expanded slightly faster in November than in October, marking the first pickup in growth pace in five months, the Bank of Japan (BOJ) said Monday.

The broad money supply—M2 [as received] (cash in circulation and time and demand deposits) plus certificates of deposit (CDs)—rose 2.5 percent in November from a year earlier, up from a 2.1- percent growth in the previous month, the BOJ said.

A BOJ official briefing reporters attributed the rise in growth pace to increases in bank holdings of commercial paper and corporate bonds due to larger issuances of these fund-raising instruments by companies.

The official also pointed to an increase in the government's fiscal payments during the month.

The official said the rise in money supply is likely to quicken gradually in the coming months.

But he added it is not clear whether the growth pace will pick up further in December.

The broad measure of liquidity also posted the first rise in growth pace in five months, expanding 5.1 percent from the year-earlier level, up from a 4.7 percent rise in October.

Atsushi Miyawaki, senior economist at the Japan Research Institute, an affiliate of Sumitomo Bank, said the money supply growth will remain on a mild upward path in the coming months.

"The slowing of money supply growth has run its course, and now it will take a natural upturn," Miyawaki said.

The growth rate declined to a single-digit figure in October 1990, and has been on a steady decline since then.

The expected lifting of the Finance Ministry's restrictions on lending to real estate businesses will also help boost the money supply, he said.

But because the Japanese economy will slow down further, the recovery will be quite gradual and there will be no sharp upswing in bank lending any time soon, he added.

Research Expenditures Hit Record 13 Trillion Yen

OW1412105591 Tokyo KYODO in English 0825 GMT 14 Dec 91

[Text] Tokyo, Dec. 14 KYODO—Japan spent a record of more than 13 trillion yen on scientific research in fiscal 1990, ranking second in the world after the United States, the government said Saturday.

The Management and Coordination Agency said Japan's expenditure totaled some 13.08 trillion yen, up 10.7 percent over the year before. The U.S. spent the equivalent of 21.72 trillion yen in the same period.

It said Japan's research outlays accounted for 2.99 percent of its Gross National Product (GNP), also a new record, surpassing 2.91 percent the year before.

Reflecting the growing awareness of the importance of environmental protection worldwide, outlays for ecological research surged 20.3 percent over the previous year to 237.8 billion yen, the agency said.

It said the report was based on a survey of 12,700 corporations capitalized at more than 5 million yen, 1,500 research organizations, and 2,200 universities and colleges across the country.

Outlays for the development of new products amounted to 6.65 trillion yen, accounting for more than 70 percent of the total.

The biggest year-on-year growth rate was recorded for expenditure on application research, posting a 14.5 percent rise, followed by 12.3 percent for basic research, and 12 percent for research and development, the agency said.

Record Disparity in Vote Value for Upper House

OW1312094691 Tokyo KYODO in English 0920 GMT 13 Dec 91

[Text] Tokyo, Dec. 13 KYODO—Disparity in vote values between Japan's most populated and least populated House of Councillors constituencies reached a record 6.53 to one ratio in 1991, a Home Affairs Ministry report said Friday.

The figure is more than double the three to one ratio which was found to be unconstitutional in a 1983 Supreme Court ruling.

The disparity was registered between the single-seat constituency of Kanagawa Prefecture, located on the outskirts of Tokyo, and Tottori Prefecture in western Japan, the ministry report said.

Ministry figures listed Kanagawa Prefecture as the most populated single-seat constituency with a voter population of 1,596,386 and Tottori Prefecture had a population of 230,731 voters.

Voter disparity in the preceding year stood at 6.42 to one, according to the report.

Political analysts said the more recent figures mean a Tottori voter's ballot carries 6.53 times more weight than a corresponding vote in Kanagawa does during elections of representative to the upper house.

A total of 33 upper house constituencies, mainly in urbanized prefectures with a greater concentration of white-collared workers, were found to have a more than two to one vote disparity ratio against Tottori Prefecture, the ministry said.

Regarding the vote-value situation for the more powerful House of Representatives, the ministry found the disparity ratio between the most heavily populated and the most sparsely populated constituencies had reached 3.34 to one from last year's 3.22 to one.

The disparity was recorded between Kanagawa's No. 4 constituency located south of Tokyo, which had a voter population of 348,538, and the Amami constituency in southern Japan which had a voter population of 104,234, the ministry report said.

Four lower house electorates had an "unconstitutional" vote disparity of more than three to one in 1991, compared with the two constituencies that exceeded the ratio last year, it said.

The number of lower chamber electorates with a more than two to one disparity increased to 32 from last year's 31, it said.

The latest figures were a part of the ministry's annual survey listing voter populations in each prefecture and constituency throughout Japan. The ministry conducts the survey September 2 of every year.

In a 1983 Supreme Court ruling, the nation's highest judicial body said vote value disparity of more than three to one between different House of Representatives electorates contravenes the constitutional principle of equality under law.

The 1983 ruling was backed up by a similar Supreme Court ruling in April 1991, saying a disparity of more than three to one between any two of Tokyo's 23 electorate wards in the 1989 Tokyo Metropolitan Assembly elections was a violation of the Constitution.

Home Affairs Minister Masajuro Shiokawa told reporters, "it's a shame that many Diet legislators who are in an official position to defend the constitution have been elected to Diet seats under an unconstitutional electoral situation."

"Politicians must hold discussions on what degree of disparity would be acceptable under the Constitution," he said.

Since the October presidential election for the ruling Liberal Democratic Party [LDP], Prime Minister Kiichi Miyazawa has repeatedly pledged to do his utmost to remedy this unbalanced representations for both chambers of the Diet as part of his campaign pledges to expedite political reforms.

Opposition parties have charged that the LDP is trampling down the Constitution by neglecting its legal obligation to correct the imbalance, which they say favors voter preferences in rural farming constituencies where LDP legislators enjoy a relative edge over opposition candidates.

The latest survey also found that the total number of voters rose to 92,270,512 in 1991, an increase of 1,164,175 or 1.18 percent over the preceding year.

North Korea

Further Reportage on Fifth North-South Talks

Premier Meets No Tae-u 13 Dec

SK1412015891 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 13 Dec 91

[Text] At the end of the fifth round of the North-South high-level talks, the North delegation headed by Comrade Yon Hyong-muk, premier of the State Administration Council, visited Chongwadae on 13 December. The South side's delegation, including its senior member Chong Won-sik, accompanied the North delegation.

Premier Yon Hyong-muk said that our respected and beloved president is very healthy, and he is always seen among the people, citing his recent on-the-spot guidance to South Hamgyong Province.

He said: Our respected and beloved president says he is so healthy because he is optimistic and free from worry or concern.

Premier Yon Hyong-muk said that the just-concluded fifth round of talks was successfully held amid support and expectation of all the fellow countrymen and that both sides' delegates came to hammer out a joint agreement after completely concurring on issues that had long remained points of contention.

He said that the agreement concluded this time, a historic document that plants hope in the hearts of the fellow countrymen, can be said to be a great, joyous New Year's gift to all the people.

He also said that the adoption of an agreement has not only improved relations between the North and South and provided excellent preconditions for national reunification, but it has also opened the door to cooperation and exchanges.

Saying that nothing is more important than to observe and implement every item in the agreement and that it is necessary for the two sides to value their first successes and cooperate with each other, he called on the president of the South side to make effort to create an atmosphere of peace.

Stating that our stand on the nuclear issue is clear, Premier Yon Hyong-muk said: When the U.S. nuclear weapons deployed in South Korea are withdrawn, we intend to sign the Nuclear Safeguards Accord and conduct simultaneous nuclear inspections to verify if there are nuclear weapons in South Korea and in the North.

Then, Premier Yon Hyong-muk said that our respected and beloved president's ideas and intention are to achieve national reunification independently and peacefully without resorting to war, on the strength of the nation itself: in other words, on the strength of great national unity.

Stating that the respected and beloved president has always taught that war is not beneficial to the North and South, he said: Let us achieve the cause of national reunification on the principle of independence, peaceful reunification, and great national unity by honoring his wishes.

He said: Although we have already advanced a proposal for founding the democratic confederal republic of Koryo, we do not mean to stand by our opinion stubbornly. We insist that if there is a better proposal for reunification, not only the persons in authority but also the leaders of the political parties and public organizations sit face to face and discuss it.

In response to this, the president of the South side said that he was of the same opinion and that it was thanks to President Kim Il-song's courageous decision that the two sides have been able to hammer out an agreement of historic proportions at the just-concluded fifth round of the North-South high-level talks. He then said that his true feeling is to achieve a great monumental accomplishment, a satisfactory solution to the reunification question, and attribute glory to Kim Il-song first.

Saying that our respected and beloved president has always taught that when the North-South high-level talks go well and that when a peaceful atmosphere has been created, summit talks will come naturally, Premier Yon Hyong-muk urged the president of the South to try to bring about such a result.

He then said: Is it not necessary to stop things like the Team Spirit joint military exercise in order to create a peaceful atmosphere?

The president of the South side gave an affirmative response to this.

Kim Il-song Receives Delegation

SK1412000191 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 13 Dec 91

[Text] On 13 December the great leader of our party and people Comrade Kim Il-song met our side's delegation to the fifth round of North-South high-level talks. The delegation was led by Yon Hyong-muk, premier of the DPRK State Administration Council.

Comrade Yun Ki-pok, chairman of the Reunification Policy Deliberation Committee of the Supreme People's Assembly and secretary of the Workers Party of Korea [WPK] Central Committee, and other functionaries concerned were on hand.

It was possible to present to the nation the adoption of the Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange between the North and South during the fifth round of North-South high level talks. This is a brilliant result of the justness of the rational fatherland reunification method by the WPK and the government of the Republic and our consistent efforts. This is also an epochal event in opening a new phase in the nation's peace and reunification.

The great leader Comrade Kim Il-song received a report on the delegation's activities, expressed great satisfaction that the delegation contributed greatly to opening a bright future for the reunification of the fatherland, and congratulated them on the results.

The great leader Comrade Kim Il-song gave instructions on the programmatic guidelines for consolidating and developing the results of the talks and achieving the nation's reunification, which is the greatest long-cherished desire of the nation, through North-South joint efforts based on the three-point principle of sovereignty, peaceful reunification, and great national unity.

The great leader Comrade Kim Il-song took a commemorative picture with the delegates and arranged a dinner for them.

Editorial Praises Agreement

SK1512065991 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 15 Dec 91

[NODONG SINMUN 15 December editorial: "Epoch-Making Event Opens Bright Prospect for Peace and Reunification"]

[Text] The Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South was adopted at the fifth North-South high-level talks.

The agreement expresses the firm will of both the North and the South to make joint efforts for national reconciliation by eliminating political and military confrontation. This is based on affirmation of the three principles for national reunification elucidated in the 4 July joint statement: to ease tension and ensure peace by preventing aggression by armed forces and armed clashes; to promote joint national interests and prosperity by realizing multilateral cooperation and exchange; and to achieve peaceful reunification. The agreement also sets out concrete measures for this.

At the talks the North and the South shared the view that nuclear weapons should not exist on the Korean peninsula and agreed to hold delegates' contact to discuss the nuclear issue.

The Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South, with its four chapters and 25 articles, which the two sides agreed upon and signed at the fifth high-level talks, is equal to the 4 July joint statement made public in the early part of the 1970's in content and significance. The adoption of this agreement is an epoch-making event, opening a bright prospect for resolving the issue of peace and reunification.

When the North and the South made public the 4 July joint statement nearly 20 years ago, all fellow countrymen in the North, the South, and overseas, looking at the dawn of reunification, enthusiastically welcomed the three principles of independence, peaceful reunification, and great national unity expounded in the statement. They overflowed with joy and delight.

The report that an important document of agreement between the North and the South was adopted at the recent North-South high-level talks again made all fellow countrymen excited about possible reunification.

The new agreement adopted and announced by the North and the South corresponds to the desires and aspirations of all fellow countrymen, who unanimously rose in the reunification movement by shouting, Korea is one! and by making reunification in the 1990's a firm goal. This agreement also accords totally with the international trend toward independence, detente, and peace.

We highly praise the North and South's adoption and announcement of the agreement on reconciliation, nonaggression, and cooperation and exchange. We warmly support and welcome them.

The adoption of the epoch-making document of agreement at the recent North-South high-level talks, reflecting the desire of fellow countrymen and the international trend, is a brilliant fruition of the wise leadership of the respected leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il. This proudly demonstrates the justness and great vitality of the national reunification policy advanced by our party and government.

The great leader Comrade Kim Il-song has taught: We should not hand down the task of national reunification to future generations. We should reunify the fatherland during our generation without fail.

From the first day of national division, the great leader Comrade Kim Il-song felt more pain than anyone else for the suffering of fellow countrymen caused by division. He inspired our people to a nationwide reunification movement. He put forward just and fair common national reunification principles and measures at an early date, including the three principles of national reunification for independence, peaceful reunification, and great national unity; the great national reunification principle based on one people and one state and two systems and two governments; and the plan for establishing the democratic confederal republic of Koryo which embodied this principle. Thus, he illuminated the road of reunification for our people and wisely led them. Thus, by attaching great significance to the long-awaited talks, those talks bring excellent results corresponding to desire of fellow countrymen.

Nonaggression, denuclearization of the Korean peninsula, and other peace proposals and reunification plans, which our delegation put forward from the first day of the North-South high-level talks under the careful leadership of the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il, brought great repercussions at home and abroad for their justness and realism, and made even the people seeking confrontation and permanent division yield.

Also, apart from our side's consistent sincere efforts for the talks and great magnanimity, it is unthinkable that the North and South could adopt a document of agreement during the talks. Even though our side's proposals throughout the talks were reasonable and realistic, we advanced compromise proposals—in which the South side's proposals are reflected—on many occasions and repeatedly made concessions. Our side did this, considering the fact that the talks are bilateral, out of a desire to adopt and release a document of agreement at the earliest possible date to please the fellow countrymen.

In particular, our side agreed to combine the nonaggression issue, which must be adopted as a separate document of agreement because of its importance, with the reconciliation and cooperation and exchange issues to produce a single document of agreement. In this way, our side paved the way toward speeding up the discussions of issues. We also repeatedly made concessions on turning the armistice into peace, on relations between confidence building and the arms reduction, on opening liaison offices, and various other issues. Our side's sincere position and efforts kept the opposing side at the table and produced the document of agreement at last.

During the talks, our fellow countrymen in the North and South and abroad, the world's peace-loving people, and fair public opinion at home and abroad wholeheartedly supported our side's just proposals and sincere efforts in the talks and strongly condemned and denounced the South's antipeace, antireunification acts. In particular, our fellow countrymen in the North and South and abroad contributed to adopting the excellent letter of agreement, which is beneficial to peace in the country and her reunification, in the North-South high-level talks by launching the pan-national reunification movement to achieve reunification in the nineties.

When the recent talks began, there was no hope that any letter of agreement could be adopted. There was no hope because of the South side's attitude in the contact of representatives for the fifth North-South high-level talks and because of the war maneuvers, which the South Korean authorities kicked up with the United States behind the curtain of dialogue. Only because our side made sincere efforts and all the people extended support and encouragement could the excellent document of agreement be adopted under these circumstances. This is truly a happy event.

The Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South, a document of agreement of the North and South, is of practical significance and a more concrete embodiment of the three principles on the fatherland's reunification.

In particular, the North and South firmly promised nonaggression. This is the North-South declaration of their will to move toward national reconciliation, peace, and reunification after ending political and military confrontation, which has lasted almost half a century. This also will be the first step toward guaranteeing safety for the nation and resolving the problem of peace in the country and her reunification.

North-South cooperation and exchange will contribute to consolidating North-South ties in political, economic, and cultural fields and various other fields and widely opening the way to reunification.

A decision was made at the recent talks to hold a contact of representatives to discuss the nuclear issue, even though no agreement was reached on adopting a declaration on turning the Korean peninsula into a nuclear-free zone. In this way, the North and South demonstrated their common will to oppose nuclear war and independently resolve the issue of turning the Korean peninsula into a nuclear-free zone.

Truly, the recent North-South high-level talks and their results will greatly contribute to ending North-South political and military confrontation, which has lasted almost half a century, and replacing North-South relations with relations of reconciliation and cooperation, thus hastening the fatherland's independent, peaceful reunification. They will also greatly contribute to guaranteeing peace and security in Asia and the world.

This epochal event—the historic Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South—that was adopted at the North-South high-level talks gave joy and excitement to all the fellow countrymen at home and abroad who have yearned for the country's independent, peaceful reunification. The problem is that practical measures must be taken on the North-South agreement and that all the agreements must be implemented sincerely.

The 4 July joint statement to which the three principles on the fatherland's reunification—independence, peaceful reunification, and great national unity—are basic was adopted in the early 1970's. When we were making every sincere effort to hasten the country's independent, peaceful reunification by implementing this statement, the South side, as soon as it signed the joint statement, stated that it was an unreliable sheet of paper and openly made remarks that run counter to the basic spirit of the statement and the agreements. Our people still vividly remember this. This ugly incident in North-South relations must never be repeated.

We are firmly resolved to implement all of the details of the agreement, thus resolving the issue of peace in the country and her peaceful reunification in compliance with all the fellow countrymen's earnest desire and expectations. Instead of going no further than signing the agreement, the South Korean authorities must adopt the policy of peace and reunification and must sincerely implement the agreement.

Our people firmly believe that the North and South will make joint efforts to consolidate the results of the fifth North-South high-level talks and to hasten the country's reunification, the nation's greatest earnest desire, based upon the three principles of independence, peaceful reunification, and great national unity.

'Leadership' in Talks Praised

*SK1612054691 Pyongyang KCNA in English
0507 GMT 16 Dec 91*

[Text] Pyongyang December 16 (KCNA)—NODONG SINMUN today says in a by-line article that the adoption of a good agreement at the fifth inter-Korean high-level talks clearly proves the validity and vitality of the policy for the independent and peaceful reunification which our party and the DPRK Government have consistently maintained under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. The paper says: The agreement reached and signed by the sides at the inter-Korean high-level talks is a document of practical significance which represents the three principles of national reunification—independence, peaceful reunification and great national unity. Its adoption is a momentous event in opening a broad way of removing political and military confrontation and realizing multi-faceted cooperation and exchange between the North and the South.

The great leader and the dear leader opened the way of North- South dialogue and, with their superb leadership, threw a revealing light on the behind-the-scene delaying and double-dealing tactics of the splittists and thus precipitated their isolation at home and abroad and united in one flow all the forces of reunification and patriotism in the North and the South who aspire after reunification.

The proposal to sign a peace agreement between the DPRK and the United States and adopt a nonaggression declaration between the North and the South by realizing three-party talks between the DPRK, the United States and South Korea, the proposal for inter-Korean parliamentary talks, the proposal for talks between military authorities, the proposal for North-South high-level political and military talks and other proposals which were put forward by our party and the DPRK Government on the direct initiative of the great leader and the dear leader show the broad magnanimity and will of our party and the DPRK Government to remove distrust and confrontation, promote trust and reconciliation and open a new phase for independent and peaceful reunification under any circumstances.

In face of the feasibility and validity of the proposal for peace and reunification set forth by our side from the first-day session of the North-South high-level talks and our sincere efforts for its realisation, the South Korean side which had sought confrontation and division was compelled to respond to adopting the joint agreement.

The agreement adopted at the high-level talks this time is vigorously inspiring the grand march of the nation toward reunification in the 90s and evoking great repercussions upon the honest-minded people of the world who want peace and reunification of the Korean peninsula.

But this does not mean that there are no difficulties in the way of our people's struggle for peace and reunification of the country.

The North and the South should refrain from doing acts impairing the success of the talks, take practical steps for the effectuation and realisation of the agreement, strictly observe and faithfully implement all its provisions.

PRC's Li Peng Welcomes Agreement

SK1612115891 Pyongyang KCNA in English 1030 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—Premier of the State Council of China Li Peng on a visit to India expressed his welcome to the adoption of "Agreement on Reconciliation, Non-aggression and Cooperation and Exchange" at the fifth inter-Korean high-level talks.

At a meeting with some political leaders of India on December 14, he expressed his belief that the agreement would contribute to peace and stability of the Korean peninsula. "We sincerely rejoice at it," he said.

PRC Foreign Ministry Views Accord

SK1612115991 Pyongyang KCNA in English 1032 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—A spokesman for the Ministry of Foreign Affairs of China on December 14, referring to the adoption of "Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South" of Korea, said: This marks a significant progress of the high-level talks between the two sides and will be conducive to the improvement of the North-South relations and further relaxation of the situation in the Korean peninsula. We welcome and appreciate this development.

The relaxation of the situation in the Korean peninsula not only accords with the interests and aspiration of the Korean people, but also has great significance to the preservation of peace in Asia and the world as a whole.

PRC Media Report N-S Pact

SK1612115691 Pyongyang KCNA in English 1027 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—Chinese mass media reported that an "Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South" was adopted in Korea.

PEOPLE'S DAILY dated 14th, explaining the agreement in detail, said the fifth round of the inter-Korean high-level talks has made a clear progress.

The daily dated 15th said in a commentary that the adoption of this agreement would remove the long-standing political and military confrontation on the Korean peninsula, narrow the gap between the North and the South, invigorate the North-South dialogue and negotiation, promote exchange and cooperation between the two sides and accelerate the process of Korea's peaceful reunification. And it will be of positive significance in building up peace and stability on the Korean peninsula and in the Asian- Pacific region, it added.

BEIJING DAILY wrote on December 15 that the adoption of the agreement would mark a new turning point in the situation of the Korean peninsula.

XINHUA and Radio Beijing reported about the agreement separately on December 13 and 14.

Soviet Media Note Inter-Korean Agreement

SK1612115791 Pyongyang KCNA in English 1034 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—Soviet media published articles on the adoption of "Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South" of Korea.

PRAVDA in a commentary December 14 said that there has risen hope of unravelling the most intricate knot in the relations between the North and the South of Korea and facilitating the reunification of the divided nation. Preconditions have been created to reunify the country and turn the Korean peninsula into a nuclear-free zone, it wrote.

On the 13th IZVESTIYA quoted words of an expert of the Soviet Ministry of External Relations that the agreement reached and signed by the sides of Korea meant a big progress in deepening trust between the North and the South and the Soviet Union unconditionally supported it.

TASS and Radio Moscow on December 13 published articles on the adoption of the agreement.

Government Accepts Erich Honecker's Refuge Plea

Health Ministry Statement

SK1412111891 Pyongyang KCNA in English 1058 GMT 14 Dec 91

["Statement" issued by the DPRK Public Health Ministry on 14 December in Pyongyang]

[Text] Pyongyang December 14 (KCNA)—The spokesman for the Ministry of Public Health of the Democratic People's Republic of Korea issued the following statement on December 14:

Erich Honecker, former chairman of the State Council of the German Democratic Republic, is now receiving medical treatment in the Soviet Union.

According to a foreign press report on December 11, the government of the Russian Federation told Honecker that he must leave the Russian territory by December 13, or else he would face extradition to Germany.

Under this condition, the Honecker side expressed through the DPRK Embassy in Moscow the hope that he would be allowed to receive medical treatment in the DPRK.

Considering it natural for us to accept his request from the humanitarian point of view, we decided to bring him to our country and give him medical assistance and notified the Soviet and Russian Governments of this and requested their assistance and conveniences in his departure.

Our willingness to give medical assistance to a patient in his advanced age as he wishes fully conforms to the viewpoint of humanitarianism and defense of human rights.

Therefore, the Soviet and Russian government authorities affirmatively responded to our stand.

We hope that the authorities concerned will show positive response from the humanitarian principles concerning Honecker's entry into our country so that his illness may not turn for the worse due to the current incident.

Foreign Minister Writes Shevardnadze

SK1612105691 Pyongyang KCNA in English 1017 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—Kim Yong-nam, minister of foreign affairs of the Democratic People's Republic of Korea, Sunday sent a letter to Eduard Amvrosiyevich Shevardnadze, minister of external relations of the Union of Soviet Socialist Republics.

The letter says:

Extending congratulations to you once again on your appointment as minister of external relations of the USSR, I am sending this letter to you with regard to an important problem that has been raised.

As you know, Erich Honecker who had been receiving medical treatment in the Soviet Union was given by the government of the Russian Federation a notice urging him to leave the Russian territory by December 13 and expressed his hope that he would receive medical treatment in our country.

Considering it natural to accept the request of Honecker from the humanitarian point of view, we decided to bring him to our country and give him medical assistance and, in this connection, on December 13 our vice-minister of foreign affairs and the DPRK ambassador to the USSR officially asked the USSR ambassador to the DPRK and to Vice-minister Rogachev for cooperation and conveniences.

But, we have not received as yet any reply from your side.

Eduard Amvrosiyevich, I hope that you will pay prudent attention to this problem and render positive cooperation for an early positive realization of our humanitarian step.

With high regards.

Foreign Minister Appeals to Russia

SK1612110391 Pyongyang KCNA in English 1021 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—Kim Yong-nam, foreign minister of the Democratic People's Republic of Korea, sent a letter to Andrey Vasiliyevich Kozyrev, foreign minister of the Russian Soviet Federative Socialist Republic, on December 15.

The letter says:

Extending congratulations and greetings to you who were appointed foreign minister of the RSFSR, I am sending this letter to you out of the desire to smoothly solve an important humanitarian problem between our two countries.

As you know, Erich Honecker who had been receiving medical treatment in the Soviet Union was given a notice urging him to leave the Russian territory by December 13 and made a request to be allowed to come to our country for medical treatment.

In this regard, our vice-minister of foreign affairs met with the Soviet Ambassador to Korea on December 13 to explain our stand towards Honecker's request and asked him to convey it to the Foreign Ministry of the Russian Federation. And the councillor of the DPRK Embassy in Moscow also met with a deputy director of the Asia-Pacific regional department of the Foreign Ministry of the Russian Federation and other officials concerned and raised this matter.

Later, the deputy director of the Asia-Pacific regional department notified the DPRK Embassy that Honecker would be left alone for three more days and proposed us to find a solution to the problem together.

Since then, we have not yet received an affirmative reply from you.

Considering that Honecker is in his sickbed at an advanced age and it would be a token of true humanitarionism to accept his request out of good will at the moment, we have decided to offer all conveniences necessary for his medical treatment in our country.

We sincerely hope that your side, too, will show humanitarian sincerity and fair cooperation to this end and officially repeat our request.

I expect an early, positive step of your side.

With high regards.

Workers Party Greets U.S. Communist Leader

SK1612050691 Pyongyang KCNA in English 0440 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—The Central Committee of the Workers' Party of Korea sent a message of greetings to Gus Hall Sunday on his reelection as national chairman of the Communist Party of the United States of America (USA).

Expressing the belief that the friendly and cooperative relations between the two parties will develop more favourably, the message wished him new success in his future work.

U.S. Military Exercises on 13 Dec Reported

SK1512084591 Pyongyang KCNA in English 0800 GMT 15 Dec 91

[Text] Pyongyang December 15 (KCNA)—The U.S. Pacific Air Force and Navy commands on December 13 staged a large-scale aerial joint strike exercise in the sky above South Korea, according to military sources.

This provocative war game which was staged for long hours in the sky above the Anmyon islet, Kunwi and Yoju was a war gamble aimed at quick entry of formations of fighter planes launched from the Pacific bases into combat operations in an "event of contingency" and increase of the capacity of preemptive strike at targets in the strategic depths of the northern half of Korea in cooperation with fighter planes belonging to the U.S. Seventh Air Force and the puppet air force.

Mobilized in the manoeuvres were formations of fighter-bombers based in Japan proper and the Pacific and more than 250 fighter planes of the U.S. Air Force stationed in South Korea and the puppet air force.

On the same day, the U.S. imperialists sent a KC-130 refuelling plane to the sky above the west coast off Kunsan from an overseas base for an exercise of mid-air refuelling of 20-odd fighter- bombers mobilized in the aerial war exercise.

That day they let a U-2 high-altitude strategic reconnaissance plane, RV-1 and other Army tactical reconnaissance planes make shuttle flights from the East to the West along the Military Demarcation Line for long hours for an intensive aerial espionage on the inland, coastal and frontline areas of the northern half of Korea.

The fighter planes of various types mobilized in the aerial war exercises against the northern half of Korea in the sky above South Korea on December 13 numbered more than 570.

O Chin-u Meets PRC's Jiang Zemin in Beijing

SK1412042191 Pyongyang KCNA in English 0407 GMT 14 Dec 91

[Text] Beijing December 13 (KCNA)—Comrade Jiang Zemin, general secretary and chairman of the Military Commission of the Central Committee of the Communist Party of China, referred to Sino-Korean friendship when he met at Zhongnanhai, Beijing, on December 13 with O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, staying in China for a rest.

Looking back on the China visit of the great leader Comrade Kim Il-song in October, he stated that Sino-Korean friendship will remain unchanged no matter which way the wind may blow in the world in the future.

Meets Yang Shangkun

SK1412041291 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 12 Dec 91

[Text] On 12 December Comrade Yang Shangkun, president of the PRC and first vice chairman of the CPC Central Military Commission, met Comrade O Chin-u, member of the Presidium of the Standing Committee of the Workers Party of Korea Central Committee and minister of the People's Armed Forces who is in China on vacation, at the Diaoyutai State Guesthouse in Beijing.

The minister of People's Armed Forces conveyed warm greetings to President Yang Shangkun from the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. President Yang Shangkun expressed deep gratitude and asked Comrade O Chin-u to convey his warm greetings to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il. Talks were held in a warm and friendly atmosphere.

President Yang Shangkun arranged a dinner for Comrade O Chin-u. Liu Huaqing, vice chairman of the CPC Central Military Commission; Qin Jiwei, state councillor and minister of National Defense; Xu Xin, deputy chief of General Staff of the Chinese People's Liberation Army; and Chu Chang-chun, our country's ambassador to China, were present.

Formal Ties Established With St. Kitts-Nevis

SK1612053891 Pyongyang KCNA in English 0446 GMT 16 Dec 91

[Text] Pyongyang December 16 (KCNA)—A joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and St. Kitts-Nevis was signed in New York on December 13.

The joint communique says that the governments of the DPRK and St. Kitts-Nevis, out of the desire to develop friendly and cooperative relations in all fields on the basis of the principle of complete equality and reciprocity, mutual respect of sovereignty and noninterference in the other's internal affairs, agreed to establish diplomatic relations between the two countries and exchange representatives at ambassadorial level.

The joint communique was signed by Pak Kil-yon, permanent representative and ambassador e.p. of the DPRK to the U.N. and Raymond Taylor, charge d'affaires of St. Kitts-Nevis to the U.N., authorized by the governments of the two countries.

Kim Il-song Receives Reply From Yasir 'Arafat

SK1312122991 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 9 Dec 91

["Reply message" dated 3 December from Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of Palestine Liberation Organization (PLO), to the solidarity message sent by Kim Il-song, president of the DPRK, on the day of world solidarity with the Palestine people; read by announcer]

[Text] Pyongyang, Your Excellency Comrade Kim Il-song, president of the DPRK:

Your Excellency Comrade President Kim Il-song,

I extend revolutionary greetings to you.

In the name of our Palestine people, members of the Executive Committee of the PLO who are my brothers, and in my own, I extend most sincere thanks to Your Excellency, and through you, to the fraternal government and people of your country, for the message of comradely solidarity which Your Excellency sent to us on the day of world solidarity with the Palestine people.

The comradely support and encouragement expressed by Your Excellency in the message of solidarity on the day of world solidarity reflect the firmness of friendship and cooperative relations existing between us.

Your support and encouragement further consolidated our people's faith in certain victory and determination to realize durable and affirmative peace in our area amid the support and encouragement of all world people who love peace, freedom and justice, by ending Israel's occupation of Palestinian territories and holy places. Under the PLO's leadership, their unique legitimate representative, our people are firmly resolved to continuously and persistently wage the just national struggle and glorious uprising to recover resolute national rights, including the right to return to their country, the right of self-determination, and the right to establish the independent Palestine state headed by the holy [word indistinct].

Taking this opportunity, I confirm to Your Excellency our determination to constantly develop firm friendship, cooperative relations, and ties of militant solidarity between us in conformity with the common interests and goals of the people in our two countries who are fighting for progress, prosperity, global peace, and the cause of justice.

I again extend my most sincere thanks to Your Excellency and wish Your Excellency good health, long life, and happiness, and success in your work to lead the people of your country to reunification, progress, and prosperity.

I extend sincere greetings to Your Excellency, the respected leader, and to the heroic people of your country.

The revolution will be carried out until victory is won.

Yasir 'Arafat
President, state of Palestine
Chairman of Executive Committee, PLO
3 December 1991, Tunis

Kim Yong-sun Returns Home After Visiting Cuba

SK1412112791 Pyongyang KCNA in English 1055 GMT 14 Dec 91

[Text] Pyongyang December 14 (KCNA)—Kim Yong-sun, secretary of the C.C. [Central Committee], the Workers' Party of Korea [WPK], returned home today by air after visiting Cuba as special envoy of the great leader President Kim Il-song.

He was met at the airport by Kim Hyong-u, vice-director of a department of the C.C., WPK and Cuban Ambassador to Korea Juan Jose Leon Vega.

KCNA Reviews 14 Dec Pyongyang Press

SK1412065591 Pyongyang KCNA in English 0449 GMT 14 Dec 91

[Press review]

[Text] Pyongyang December 14 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il- song on December 13 met with the delegation of the North side which had participated in the fifth North-South high-level talks.

The press gives a frontpage prominence to the "Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between the North and the South" which was adopted at the fifth inter-Korean high-level talks.

Given in the press are an account of the closure of the inter- Korean high-level talks, a joint communique on the talks, news that the North side's delegation to the talks called at "Chongwadae" and a report that the delegation left Seoul and arrived in Pyongyang.

According to NODONG SINMUN, immortal classical works of President Kim Il-song were reported in different countries.

The press dedicates articles to the 30th anniversary of the establishment of the Taean work system by President Kim Il-song.

Conveyed in NODONG SINMUN are voices of South Korean people ardently revering the dear leader Comrade Kim Chong-il as the lodestar of the nation.

An article of MINJU CHOSON says that comrade Kim Chong-il has paid deep attention to everything needed for the living of the people and shown deep loving care to improve it.

Edited in the press is what party members and working people said about the letter sent to Comrade Kim Chong-il with a sincere heart by twice labour heroine Chong Chun-sil, director of the Chonchon County, Chagang Province, commerical management office.

Jiang Zemin, general secretary and chairman of the Military Commission of the Central Committee of the Communist Party of China met with O Chin-u, member of the Presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea and minister of People's Armed Forces, staying in China for a rest and the DPRK ambassador to Mauritius paid a courtesy call on the prime minister of the country, says the press.

Econews of the press includes reports about the increased production at the Hamhung woolen textile plant and the Sunchon distruct coal mining complex.

Printed in NODONG SINMUN is a commentary by its reporters who had been to Seoul denouncing the South Korean authorities for screening a film slandering the DPRK for the North side right after they signed the agreement on reconciliation, nonaggression, and cooperation and exchange.

South Korean news of the press includes a report that the South Korean paper PUSAN ILBO carried an article about Yi In-mo, former war correspondent of the Korean People's Army.

NODONG SINMUN informs the readers that the Nepalese National Peace Committee released a statement in denunciation of the new war provocation moves of the U.S. imperialists and the South Korean authorities, foreign publications demanded the return of old man Yi In-mo, former war correspondent of the Korean People's Army, to the northern half of Korea and a fact-finding team on Korean draftees was inaugurated in Kanagawa Prefecture, Japan.

Foreign news columns of dailies say that Comrade Fidel Castro outlined the plan for protection of children, Comrade Do Muoi appealed to veterans to uphold the glorious traditions of the "soldier of President Ho Chi Minh", the Islamic summit conference was held, Chairman Samdech Norodom Sihanouk called for devotedly striving for the rehabilitation of the country, the Mozambican president reiterated the need to accelerate the peace process in the country, the Indian prime minister touched on the importance of the Non-aligned Movement, and the Jordanian king urged cooperation and solidarity among the Islamic countries.

NODONG SINMUN reports about the achievements of the Chinese people in the socialist economic construction.

The paper runs articles revealing the frivolity of Bush's commitment to attain "economic growth" within one year in the United States and the schemes of the Israeli aggressors to annex al-Quds for good.

KCNA Reviews 16 Dec NODONG SINMUN

SK1612055891 Pyongyang KCNA in English 0457 GMT 16 Dec 91

[Review of NODONG SINMUN]

[Text] Pyongyang December 16 (KCNA)—NODONG SINMUN today reports that "Let Us Achieve the Great Unity of Our Nation," a work of the great leader President Kim Il-song, was carried by a Romanian paper and an overseas Koreans' newspaper published in Canada.

The daily conveys words of South Korean people revering the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il. The paper carries words of the Sierra Leonean minister of state and leader of parliament who visited Korea that the whole life of President Kim Il-song is a heroic epic. Appearing in the daily is a message of greetings sent by the Central Committee [CC] of the Workers' Party of Korea to Gus Hall upon his reelection as national chairman of the Communist Party of the United States of America.

It is reported in the daily that thanks of the C.C., the Workers' Party of Korea was conveyed to an official of the Yodok County, South Hamgyong Province, party committee and his family who have devotedly served the people.

The daily carries a joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and St. Kitts-Nevis.

It comes out with an article headlined "Historical Meeting Which Inspired Whole Nation to Anti-Japanese Armed Struggle" on the lapse of 60 years since President Kim Il-song organized and led the meeting of party and Young Communist League cadres at Mingyuegou, Yanji County, in December 1931.

The daily gives an account of a national meeting held in Pyongyang to mark the 30th anniversary of the establishment of the great Taean work system, a socialist economic management system. Seen there is a report made by Premier Yon Hyong-muk at the meeting.

Given in the daily is news that bulletin "Chuche Idea" No.1 came off the press in Guyana and an inaugural meeting of the Benin Association for the Scientific Study of the Chuche Idea was held.

Under the title "Welcome Adoption of Agreement on Reconciliation, Nonaggression, and Cooperation and Exchange Between North and South" the daily carries an article, which says that the adoption of this agreement demonstrated the validity and vitality of the policy of national reunification by the Workers' Party of Korea and the Government of the DPRK. The reaction at home and abroad on this agreement is conveyed in the daily.

The South Korean news columns of the daily include a report that a professor called for blocking rice market opening with death- defying resistance.

Reviewing the South Korean situation, the daily demands that the South Korean authorities refrain from doing acts against peace and reunification today when the North-South agreement was adopted.

The Tanzanian paper UHURU in a travelogue on Korea said that socialism is kept in the minds of the Korean people as a firm faith and a Nepalese public organisation called for the return of old man Yi In-mo, reports the daily.

It informs the readers that the Indonesian president rejected foreign "aid", former Tanzanian President Julius K. Nyerere opposed the Western political pressure upon African countries, Israel's obstructions to Middle East peace was denounced in many countries, political parties of Caribbean countries hit at the anti-Cuba moves of the United States, the crisis is growing in the Soviet Union, and a bill on the dispatch of "Self-Defence Forces" overseas was shelved at the House of Councillors of Japan.

The daily introduces the building of a new society in Namibia.

South Korea

Sihanouk Reportedly Wants 'Consulate' Level Ties

SK1612022291 Seoul YONHAP in English 0115 GMT 16 Dec 91

[Text] Bangkok, Dec. 16 (YONHAP)—Restoration of diplomatic relations between South Korea and Cambodia is unlikely in the immediate future, a diplomatic source here said Monday.

Cambodian Prince Norodom Sihanouk, a close friend of North Korean President Kim Il-song, wants to set relations with Seoul at the consulate-general level, he said.

Prime Minister Hun Sen and Chea Sim, general secretary of the People's Revolutionary Party, have insisted on full diplomatic relations with South Korea to balance North Korea, but Sihanouk is opposed it, the source said.

In November, South Korea recognized the Supreme National Council (SNC), a grouping of four warring factions headed by Sihanouk, as the legitimate government of Cambodia. Seoul has informed the SNC that it will send a delegation for talks on normalization of relations.

Sihanouk, due to make an official visit to Pyongyang in April, is unlikely to make a commitment to restoring relations with Seoul and the dispatch of a delegation to Cambodia would delay the process because it needs formal consultation in the SNC.

Cambodia, ending 12 years of internal conflict, signed a peace treaty in Paris on Oct. 23 and the SNC was to convene its first meeting in Phnom Penh on Dec. 4, but no progress has been made since Khieu Samphan of the Khmer Rouge fled to Bangkok after being mobbed on arrival in the Cambodian capital on Dec. 3.

South Korea and Cambodia established formal ties in 1970 but severed them in 1975 after the Khmer Rouge seized power.

N-S Contact Takes Place at ESCAP Meeting

SK1612121491 Seoul YONHAP in English 1202 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (YONHAP)—South and North Korea has started a bilateral contact in the arena of the U.N. Economic and Social Commission of Asia and the Pacific (ESCAP), a government official here said Monday.

Yi Chong-mu, director-general of the International Economic Bureau of the Foreign Ministry, met a North Korean diplomat dispatched to an ESCAP senior working-level meeting held from Dec. 10 through Monday in Beijing, the official said.

Yi met a counselor working with the North Korean Embassy in Beijing, who attended the ESCAP meeting as an observer, Friday, the very day when the fifth inter-Korean prime ministers' talks ended in Seoul.

The two discussed bilateral cooperation in the ESCAP, he said.

North Korea has recently expressed its willingness to join the ESCAP and is expected to be given a full membership in the 48th general meeting of the organization to be hosted by China in April.

It was also said that Foreign Minister Yi Sang-ok is likely to have a chance to meet with North Korean Foreign Minister Kim Yong- nam during the 48th ESCAP meeting.

Yi, who is to be invited to the Beijing meeting in his capacity as the chairman of the previous general meeting, is expected to meet with Chinese Foreign Minister Qian Qichen, sources said.

Prime Minister, Cabinet Reaffirm Nuclear Stand

SK1612053991 Seoul YONHAP in English 0517 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (OANA-YONHAP)—South Korea has reaffirmed its official stand that North Korea must scrap its nuclear fuel reprocessing and uranium enrichment facilities as well as accept outside inspection of its nuclear facilities to solve nuclear issues on the Korean peninsula.

The reaffirmation was made when Prime Minister Chong Won-sik, presiding over a special cabinet meeting, instructed Monday that cooperative efforts be made with the United States and Japan so that North Korea abandons its nuclear development project and complies with its international obligation to accept outside nuclear inspection.

The prime minister's instruction made it plain, according to a ranking official, that Pyongyang's accommodation of Seoul's proposal for a simultaneous, trial inspection of nuclear facilities by both sides must be accompanied by the scrapping of its nuclear reprocessing and uranium enrichment facilities.

The cabinet also decided that South Korea will not halt or reduce the "Team Spirit" joint military exercise with the United States without a clear solution to the nuclear issue with North Korea.

In addition, the Defense Ministry's arms control office will be upgraded to an arms control headquarters and put in charge of nuclear, arms control, military confidence-building, inspection and verification negotiations, officials said.

Monday's cabinet meeting was held to discuss measures to implement last week's agreement with North Korea. Other decisions include full-fledged efforts to resolve the nuclear issue this year through working-level contacts at the truce village of Panmunjom, they said.

In the economic sector, the government is considering handing all the work involed in inter-Korean trade to a new office established specifically for that function, they said. It will set up a systematic framework for direct trade and investment guarantees.

Defense Minister Yi Chong-ku reported that his Ministry had begun to upgrade the arms control office to headquarters level.

The annual Team Spirit exercise will not be canceled or reduced without a clear answer on the nuclear issue, he told the cabinet.

Deputy Premier-Unification Minister Choi Ho-chung said the government will make a full attempt to solve the issue this month at the Panmunjom talks.

Economic Planning Minister Choe Kak-kyu reported that the Economic Planning Board will back up inter-Korean agreements in political and military fields by pursuing economic exchanges with North Korea in ways beneficial to both sides.

The creation of a machinery to coordinate exchange functions with the North will be reviewed, Choe said.

Foreign Minister Yi Sang-ok reported that the United States and Japan will be asked to move with prudence in their approaches to North Korea, depending upon Pyongyang's implementation of its agreement with Seoul.

Existing treaties South and North Korea have with other countries, Yi said, will not be affected by last week's inter-Korea pact, adding it was based on the "Vienna Convention" providing such a practice.

Briefs National Assembly on Accord

SK1612130391 Seoul YONHAP in English 1215 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (YONHAP)—Prime Minister Chong Won-sik said Monday the signing last week of an inter-Korean agreement on reconciliation, non-aggression, and exchanges and cooperation would make positive contribution to deterring Pyongyang's nuclear arms development.

Chong told the National Assembly plenary session that the agreement would be put into effect after the two sides exchanged ratified documents at the sixth round of the high-level talks to open in Pyongyang on Feb. 18. He had headed the southern delegation to the fifth round in Seoul Dec. 11-13.

The prime minister said the government would make the best endeavor to encourage North Korea to accept outside inspection of its nuclear facilities and to give up development of nuclear weaponry.

Deputy Prime Minister Choe Ho-chung also said that the agreement would contribute to enhancing the atmosphere to stop North Korea's development of nuclear arms, although it was not linked with nuclear issues in the just-ended Seoul talks.

Speaking to a joint session of the National Assembly Foreign Affairs and Unification Committee and Special Committee for Unification Policy, he said, "although our side did not link nuclear issues with the settlement of the agreement in the Seoul talks, the agreement will positively contribute to North Korea's acceptance of nuclear inspection."

Foreign Minister Yi Sang-ok told the Foreign Affairs and Unification Committee that an international conference would be held early January to discuss how to cope with the confusion stemming from the collapse of communism in the Soviet Union.

U.S. Secretary of State James Baker proposed to hold the conference in Washington in a speech he gave at Princeton University on Friday and invited members of the North Atlantic Treaty Organization, Japan and Korea to the meeting, the minister said.

Asked about the repayment of loans Korea has given to Moscow, he said the change in the legal nature of the Soviet Union would not affect the republics' takeover of the loans and that the government was seeking additional measures to ensure the repayment.

President No Briefs Government Leaders on Talks

SK1412071891 Seoul YONHAP in English 0609 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (YONHAP)—President No Tae-u explained the results of the inter-Korean premiers' talks to National Assembly Speaker Pak Chun-kyu, Chief Justice Kim Tok-chu, and ruling and opposition party leaders at Chongwadae on Saturday and exchanged views with them on a wide range of pending issues.

"For North Korea to sign the basic agreement was a change in its policy of unification by means of communism," No said, adding that unification must be handled on a suprapartisan basis.

"You must look carefully before you leap as the relationship between the two Koreas has just started," No said, indicating he would not free the Rev. Mun Ik-hwan and other dissidents jailed for visiting North Korea without government permission.

Prime Minister Chong Won-sik, who was on hand, reported that North Korea didn't raise problems such as abolition of the National Security Law and release of security law offenders in the talks.

Vice Prime Minister and National Unification Minister Choe Ho-chung said that five delegates from both sides would hold working-level consultations in December on nuclear issues.

He asked Pak and the party leaders to support the agreement on reconciliation, non-aggression, exchange and cooperation in the National Assembly.

Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party (DLP), Kim Chong-pil and Pak Tae-chun, DLP co-chairmen, and Kim Tae-chung and Yi Ki-taek, co-chairmen of the Democratic Party, were also at the meeting held over breakfast.

Later Saturday, No invited Chong Chu-yong, leader of the Hyundai business group, and 14 other leading Korean businessmen to a similar meeting and asked them to cooperate with the government in investment and other projects in North Korea.

Sees Changes in DPRK Policy

SK1512040091 Seoul THE KOREA TIMES in English 15 Dec 91 p 1

[Text] North Korea is apparently backing down from its stubborn policy of unifying the Korean peninsula only by communizing South Korea, President No Tae-u said yesterday.

"North Korea has thus far pursued a policy of communizing the South under its united front strategies, totally denying the authority of the Seoul government. But it seems that it has begun to change. The signing of the agreement on rapport and nonaggression is a good occasion for the change," he said.

The agreement "signifies a drastic change in the North's unification strategy of the communization of the South," the President said.

No made the remarks while briefing leaders of the National Assembly, courts, and administration, and the nation's top 15 businessmen, separately, on the result of the just-ended fifth round of South-North prime ministers' talk at Chongwadae.

"Now the Soviet Union has collapsed, and Japan and the United States are having dialogue with the North on condition that the North improves ties with the South. So, the North seems to be changing its unification policy," presidential spokesman Yi Su-chong quoted No has saying.

The participants were Speaker Pak Chun-kyu, Chief Justice Kim Tok-chu, Prime Minister Chong Won-sik, Chairman Cho Kyu-kwang of the Constitution Court and political leaders—Kim Yong-sam, executive chairman of the Democratic Liberal Party [DLP], DLP co-chairman Kim Chong-pil and Pak Tae-chun and DP [Democratic Party] co-representative Kim Tae-chung.

No asked the nation's top figures to help both the South and North Korean governments translate into action the contents of the agreement, expressing his gratitude for their unified support for the government's unification efforts, the spokesman said.

The Chief Executive said that the conclusion of the basic pact on the inter-Korean ties featuring the accord on nonaggression has provided a turning point to "transform the confrontation of more than 40 years into exchanges and cooperation."

No explained that the agreement is not a treaty between countries, and therefore the Assembly will be asked to pass a resolution of support, instead of ratification.

Opposition leader Kim Tae-chung asked for the release of pastor Mun Ik-hwan, convicted of violating the National Security Law for his unauthorized visit to North Korea in 1989, on the occasion of the landmark agreement.

No told Kim, "Leave it up to me." He continued, "North Korean Prime Minister Yon Hyong-muk did not say even a word about Mun Ik-hwan when I met him (Friday)."

Prime Minister Chong added, "The northern delegation did not mention the release of Miss Yim Su-kyong or the abolition of the National Security Law at all this time, points they have harmmered previously."

During his ensuing meeting with top business leaders, the President stressed that economic exchange and cooperation would proceed formally in the wake of the conclusion of the agreement.

Noting that the process of unification has just begun, he asked for their cooperation in promoting economic exchanges and cooperation.

Defense Ministry Considers Suspending Team Spirit

SK1612113391 Seoul YONHAP in English 1113 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (YONHAP)—The South Korean Government will consider positively suspending or "fully revising" the annual Korea-U.S. Team Spirit exercise next year if North Korea accepted the South's proposal for simultaneous "pilot" inspections of military and civilian nuclear facilities in North and South Korea, the Defense Ministry said Monday.

Son Pung-sam, spokesman for the ministry, said such initiative would be studied only when North Korea shows sincerity in talks over the nuclear issue slated for later this month.

He, however, said this does not mean a complete scrapping of the exercise.

"It is not the time to discuss the abolition of the Team Spirit exercise," he said. "The 1992 Team Spirit exercise will have to be staged as planned if there is no progress in the inter-Korean dialogue on the nuclear issue within this month considering the time needed to transport military equipment from the United States to Korea."

Son recalled that South Korea proposed pilot inspections of military and civilian nuclear facilities in North and South Korea during the fifth inter-Korean high-level talks last week.

In the opening session, South Korean Prime Minister Chong Won-sik made the surprising proposal and suggested North Korea's Sunchon Airfield and nuclear facilities in Yongbyon, some 90 kilometers north of Pyongyang, and a U.S. airbase in Kunsan, some 200 kilometers of Seoul, for pilot inspections by Jan. 31.

Son said the ministry was studying a plan to expand the armament control room in the ministry in preparation for the implementation of inter-Korean accords on nonaggression.

The ministry was also studying installing a "negotiation planning group" in the ministry to advise Seoul side members of the projected South-North Korean military subcommitee to be formed not later than one month after the agreement on the reconciliation, nonaggression, exchanges and cooperation takes effect, the spokesman said.

Foreign Ministry Confirms 'Possibility'

SK1512032891 Seoul THE KOREA TIMES in English 15 Dec 91 p 2

[By staff reporter Sin Hak-yim]

[Text] The annual South Korea-U.S. joint military exercise, Team Spirit, scheduled for next spring might be postponed if North Korea gives up its plan to develop nuclear weapons, Seoul government officials say.

A ranking Foreign Ministry official said, on condition of anonymity, "The possibility cannot be ruled out that the Team Spirit exercise will be scaled down to a large extent or be canceled, if North Korea accepts our calls for abandoning its nuclear reprocessing facilities after opening its nuclear facilities to international inspection."

"Consultations are under way between South Korea and the United States over the issue," said the ministry official.

South and North Korea agreed in principle on a nuclear weapons-free Korean peninsula during the just-ended premiers' talks but have yet to discuss how to realize it during working-level meeting in the truce village of Panmunjom this month.

Informed sources said that the government hinted at the possible suspension of the Team Spirit exercise to North Korea, if it accepts the calls for giving up its nuclear development program.

The annual Korea-U.S. exercise is usually conducted from early February to late March.

Another ranking Foreign Ministry official said, "The Team Spirit exercise will be linked to the solution of the North Korean nuclear issues.

"If North Korea accepts our suggestion for a "joint declaration for a non-nuclear Korean peninsula, all problems regarding the nuclear issue will be settled," said the ministry official.

South Korea suggested during the fifth round of inter-Korean premiers' talks in Seoul that "trial inspections" of nuclear facilities in both South and North Korea, including U.S. facilities, be conducted on the condition that North Korea signs a nuclear safeguards agreement, opens its nuclear facilities to IAEA [International Atomic Energy Agency] inspection and gives up its nuclear reprocessing facilities.

However, North Korea did not give a clear-cut response to the new proposal of South Korea, though it positively appraised it.

Instead, North Korea called for the suspension of the U.S. nuclear umbrella for South Korea.

"I don't believe that North Korea will continue to renew such a call during the forthcoming talks because it also can be given "negative security assurance' by the United States," said the ministry official.

"It is clear that the North is showing signs of changing its position regarding the nuclear issue. But Pyongyang should express its intention, in clear terms, to abandon its nuclear reprocessing facilities before the next inter-Korean premiers' talks slated for Feb. 18-21 in Pyongyang," he said.

Saying that U.S. nuclear warheads are rapidly being withdrawn from South Korea, the ministry official hinted that the Korean government will announce the completion of the withdrawal of U.S. nuclear arms troops from the South soon.

In the meantime, Deputy Premier-Unification Minister Choe Ho-chung denied reports that the South Korean government softened its stance in regard to North Korea's nuclear development program for the sake of the conclusion of an agreement on inter-Korean relations.

"North Korea appeared to have been embarrassed by our proposal on the nuclear issue during the Seoul meeting. They must have been unprepared to offer response to our proposal," Choe told reporters, giving optimistic prospects for the North to show a positive response during the working-level talks over the nuclear issue in Panmunjom this month.

Decision Hinges on Nuclear Talks

SK1612133091 Seoul YONHAP in English 1303 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (YONHAP)—Deputy Prime Minister Choe ho-chung said Monday the government would decide on whether to stop or scale down the annual South Korea-U.S. "Team Spirit" military exercise after watching the progress of inter-Korean talks on nuclear issues.

"The drill was not discussed at all during the just-ended high-level talks except for the brief reference in the key-note speeches," Choe told a joint meeting of the National Assembly Foreign Affairs and Unification Committee and Special Committee for Unification Policy.

"The government has not yet made a decision to stop or scale down the drill. Such a decision could be made if the (inter-Korean) contacts relating to nuclear issues progress," he said.

Choe, who is concurrently the national unification minister, said the government had expressed willingness to accept nuclear inspection of a U.S. airbase in Kunsan and other military facilities during the fourth round [as received] of inter-Korean high-level talks last week. Such an expression meant that South Korea would become free of nuclear arms, he added.

Asked about the revision of the National Security Law, he said the matter should be dealt with seriously, considering that North Korea has a criminal code that contains "far tougher regulations. "

He brushed aside the opposition lawmakers' call for National Assembly's ratification of the inter-Korean agreement on basic relations, saying the accord is a sort of tentative pact that defines the particularities of the relations between the two sides and not a treaty between a state and another.

Government Sets Conditions for Accord Ratification

SK1412030391 Seoul YONHAP in English 0239 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (YONHAP)—South Korea will not ratify the agreement on reconciliation and nonaggression it signed with North Korea on Friday unless North Korea abandons its nuclear weapons program, government sources said Saturday.

The South Korean Government made its position clear to North Korea through the North Korean delegation to the inter-Korean prime ministers' talks as well as to the United States and Japan, the sources said.

"The South-North Korean relations and the nuclear issue are of mutually complementary character," said one ranking government official. "And therefore, the (Friday's) agreement will not take effect as long as North Korea does not take a tangible action on the nuclear issue."

The official noted that South Korea has already agreed with the United States and Japan to pressure North Korea to abandon its nuclear reprocessing facilities.

The South Korean Government will not be able to receive support from its people if it pursues its policy of detente with North Korea without eliminating the nuclear threat from the North, the official said, requesting anonymity.

The official indicated that the ratification of the agreement on reconciliation and nonaggression would be delayed until the two sides resolve the problems related to North Korea's nuclear development program.

The official, however, predicted that the nuclear issue will be cleared up by the time South and North Korea convenes the 6th round of their prime ministers' talks in Pyongyang on Feb. 18 or before the International Atomic Energy Agency (IAEA) hold its annual governors' meeting on Feb. 25.

South Korea's proposal for the denuclearization of the Korean peninsula would be satisfied if North Korea signs the international nuclear safeguards agreement and allows outside inspection of its nuclear facilities, the official said, indicating that South Korea could be flexible in its demand for simultaneous inspection of nuclear facilties in the North and military installations in the South.

Endorsement Expected by 17 Dec

SK1412110191 Seoul YONHAP in English 1035 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (YONHAP)—The South Korean Government is expected to complete by Tuesday procedures to bring the inter-Korean agreement on reconcilation and nonagression into effect in February.

A government official said Saturday that the accord was expected to be endorsed by a special cabinet meeting on Monday and then by the National Assembly on Monday or Tuesday before being submitted to President No Tae-u for his approval.

The historic agreement will take effect after South and North Korea exchange certificates of official approval in the sixth round of prime ministers' talks slated for Feb. 18-21 in Pyongyang.

North Urged To Accept Agreement

SK1412060791 Seoul YONHAP in English 0520 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (YONHAP)—South Korea will do its best to implement the inter-Korea agreement signed Friday without a hitch and expects North Korea to make matching efforts, Information Minister Choe Chang-yun, said Saturday.

"Once again, the government strongly urges the North to accept President No Tae-u's initiative for denuclearization and peace on the Korean peninsula at the meeting of working-level representatives to be held at Panmunjom this month, and thus to immediately abandon its nuclear arms development program," Choe said in a statement.

The government considered the agreement signed in the fifth round of inter-Korean high-level talks an "epochal turning point" to dismantle the cold war structure on the Korean peninsula and advance national reunification, said Choe, who also serves as chief government spokesman.

The agreement on reconciliation, non-aggression, cooperation and exchange is the first official pact signed by the governments of two Koreas since the nation was divided 46 years ago.

The agreement was a priceless outgrowth of the government's northern diplomacy and unification policy, and it would help to build a new order of reconciliation and cooperation in Northeast Asia, Choe said.

Must Renounce Nuclear Facilities

SK1612082091 Seoul YONHAP in English 0556 GMT 16 Dec 91

[Text] Seoul, Dec. 16 (YONHAP)—North Korea must unequivocally renounce nuclear reprocessing facilities for the Korean peninsula to be nuclear-free, a Korean Government official said Monday.

"What the United States demands from North Korea is not simply that it sign a nuclear safeguards accord and accept outside inspection, but that it complete abandonment of reprocessing plants," the official said.

North Korea could accept the South Korean proposal for joint declaration of a non-nuclear Korean peninsula presented at last week's inter-Korean prime ministers' talks or agree to a separate declaration with the South containing its political will not to own reprocessing installments, he said.

"A statement by North Korean President Kim Il-song or Foreign Minister Kim Yong-nam on the nuclear issue covering reprocessing plants is another alternative method," he said.

South Korea's prime minister tabled a proposal calling for a pledge by both sides not to possess nuclear reprocessing and uranium enrichment facilities at the talks.

Trial inspection, which Seoul said can include U.S. bases in the South, was apparently aimed at proving to Pyongyang that the United States has completed withdrawal of its nuclear arms as was promised by President George Bush.

They signed an agreement on reconciliation, non-aggression and exchanges and cooperation, but failed to agree on the nuclear issue, inviting reserved criticism from the United States that Seoul failed to solve the most crucial problem.

If North Korea fully accepts outside inspection by the International Atomic Energy Agency (IAEA), an agency inspector will keep watch on its nuclear facilities to effectively stop construction of reprocessing plants, the official said.

"But the important thing here is that North Korea firmly state internally and externally it will not possess nuclear reprocessing facilities even after accepting outside inspection in order to achieve nuclear-free Korea," he said.

Official: North Ready for 'Outside Inspection'

SK1412123591 Seoul YONHAP in English 1221 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (YONHAP)—North Korean officials told South Korean officials in behind-the-scene contacts during the just-ended fifth inter-Korean prime ministers talks that Pyongyang would sign the Nuclear Safeguards Accord before the February meeting of the

International Atomic Energy Agency's Board of Governors and accept outside inspection of their nuclear facilities, it was learned Saturday.

The northern delegates also said that Pyongyang was not opposed in principle to South Korean Prime Minister Chong Won-sik's proposal for the scrapping of reprocessing facilities and simultaneous inspection of nuclear facilities in the South and the North, government sources said.

The South Korean Government plans to conclude an agreement to the scrapping of nuclear facilities and simultaneous inspection of nuclear installations by the end of January in inter-Korean talks on nuclear issues.

The South proposes to start the discussion on Dec. 20, but the North hopes to delay it.

"If North Korea promises not to have nuclear reprocessing facilities and accept outside nuclear inspection, we could pledge there will be no team spirit military exercise next year," a government official said. "I understand a negotiation is under way with the United States over the issue," he said.

Simultaneous Nuclear Inspection Sought by 30 Jan

SK1412005891 Seoul THE KOREA TIMES in English 14 Dec 91 p 2

[Text] Yi Tong-pok, spokesman of the South Korean delegation to the inter-Korean talks, said yesterday that Seoul will call for simultaneous nuclear inspection of each other's facilities no later than Jan. 30, 1992.

He revealed that Seoul will designate the suspected nuclear facilities in Yongbyon in the North as the site for the first round of inspection.

The spokesman went on to say that both sides will start contacts sometime this month to discuss the proposed mutual on-the-spot inspections. The delegation will be composed of five members from each side, including three nuclear experts.

He added that the talks on the nuclear question will be held at the truce village of Panmunjom. Yi denied the report by a vernacular daily that North Korean prime minister met with So Tong- kwon, director of the Agency for National Security Planning.

Asked about the reported plan to reduce the scale of Team Spirit, the annual defense exercise between Seoul and Washington, Yi said the government has no such a plan at this moment.

"As an effort to build mutual trust, it is enough to notify each other of planned military exercises as well as observing them," he said.

Meanwhile, Yi's North Korean counterpart An Pyong-su said that the accord on South-North relations will pave the way for national reconciliation, peace and unification. In his departure statement An said, "We will do our utmost to abide by the agreement."

South 'Likely' To Declare Absence of N-Weapons

SK1412060691 Seoul YONHAP in English 0449 GMT 14 Dec 91

[Text] Seoul, Dec. 14 (OANA-YONHAP)—South Korea is likely to formally declare the absence of nuclear weapons on its territory before the inter-Korean working-level contact on nuclear issues around Dec. 20, a government source said Saturday.

There was a consensus at the inter-Korean prime ministers' talks here this week that when South Korea officially makes the declaration, North Korea will respond with "commensurate" steps, the source said.

South and North Korea signed an historic agreement on reconciliation, non-aggression, exchange and cooperation Friday, but failed to produce an accord on the nuclear issue. They said they would meet this month at the Truce Village of Panmunjom to work on it.

A declaration of absence would indicate completion of the U.S. withdrawal of its nuclear arsenal in South Korea in line with U.S. President George Bush's Sept. 27 initiative, and it would press North Korea to take a more flexible position at the Panmunjom contact, the source said.

Withdrawal of U.S. nuclear arms was one of North Korea's chief conditions for signing a nuclear safeguards accord, which would eventually open its nuclear facilities to outside inspection.

North Korea's response in the nuclear negotiations can be linked to the annual South Korea-U.S. military maneuver "Team Spirit," he said.

"If North Korea abandons its nuclear reprocessing facilities, then South Korea could cancel next year's Team Spirit exercises," he said.

South Korea's proposal for simultaneous trial inspection of any military facilities designated by the other side, including U.S. bases in the South, would be possible only when North Korea abandoned its nuclear reprocessing facilities, he said.

Pyongyang could show intent to scrap its reprocessing facilities by issuing a joint statement accepting President No Tae-u's Nov. 8 non-nuclear initiative, the source said.

U.S. 'Unofficially' Informed North of Withdrawal

SK1612060591 Seoul TONG-A ILBO in Korean 16 Dec 91 p 1

[Text] It was learned on 16 December that the United States unofficially had notified the North side that it had completed the withdrawal of its nuclear weapons from the ROK and that, as a result, not only North Korea's signing of the nuclear safeguards accord but also the adoption of a North-South declaration on denuclearizing the Korean peninsula would proceed faster than expected.

A high-ranking ROK Government source said: "Ronald Lehman, director of the U.S. Arms Control and Disarmament Agency, secretly visited Seoul on 8 December, just before the fifth North-South high-level talks, and discussed the nuclear issue with the ROK Government officials concerned." He also said: "During the discussion, the U.S. side made it clear that the United States already had informed the North side that it had completed the withdrawal of its nuclear weapons from the ROK. It also made it clear that the United States had coordinated views on the simultaneous nuclear inspection issue with the North Korean side on condition of North Korea's signing of the nuclear safeguards accord and its acceptance of international nuclear inspection."

This source also said: "The proposal that the nuclear facilities in Sunchon and Yongbyon, North Korea, and the Kunsan air base, South Korea, be inspected simultaneously on a trial basis is wholly a U.S. idea that Director Lehman brought in." He also said: "We know that in mapping out this plan, the United States contacted the North Korean side via many channels and that the United States and North Korea tacitly agreed that 'if North Korea decides to sign the nuclear safeguards accord and accept international nuclear inspection, to promote an environment for this, the United States would accept the simultaneous inspection of North and South Korean nuclear facilities.'"

It was learned that the "prior coordination of views" was possible because the North Korean side strongly hoped that the United States would positively provide a pretext for North Korea's signing of the nuclear safeguards accord.

This source also said: "Sooner or later, the North Korean side will express its intention to sign the nuclear safeguards accord." He said: "I cannot reject the possibility that North Korea may do so during the mid-December North-South contact in Panmunjom to discuss denuclearization."

This source also said: "Only when North Korea expresses its intention to sign the nuclear safeguards accord will North and South Korea be able to express their common views in a joint declaration on denuclearization or in any other form." He added: "This may be possible even before the sixth high-level talks in Pyongyang on 18 February 1992."

'Majority' Think Agreement Contributes to Peace

SK1512022391 Seoul THE KOREA TIMES in English 15 Dec 91 p 2

[Text] A majority of South Koreans think that the just-concluded agreement on inter-Korean appeasement and cooperation will contribute to the groundwork for peaceful coexistence.

According to a telephone survey of 906 people commissioned by the Information Ministry, 25 percent believe the agreement would contribute to setting the stage for peaceful coexistence "greatly" and 51 percent "to some extent."

Thirteen percent of them replied that the accord would give no boon to a better inter-Korean relationship which has long remained one of conflict and sometimes bitterly hostile, said the survey conducted by Gallup Polls Korea.

Over 55 percent said that they believe the divided parts of the peninsula would get reunited in 10 years, 9 percent of which said that it would come as early as two to three years and 13 percent within five years.

Humanitarian issues drew the largest attention of the people surveyed. Forty percent were most keenly interested in the reunion of dispersed families and 15 percent in economic cooperation and reconnection of railroads and roads.

The South has chosen gradual approaches to reunification through personnel exchanges and economic cooperation while the North has favored a drastic breakthrough through sharp cuts in arms and armed forces.

Only 14 percent paid attention to military confidence-building and nonaggression measures, 10 percent to exchange of media reports and 7 percent to respect of the other side's social and political system and noninterference in domestic affairs.

Asked about priority among projects for exchange and cooperation, some 55 percent of the pollees cited correspondence between the visits by separated families, and 14 percent economic cooperation including trade and joint-venture business.

Eleven percent of them selected exchange of publications and media reports and 9 percent restoration of traffic routes.

Editorial on Chances of Nuclear Issue Agreement

SK1412033291 Seoul THE KOREA TIMES in English 14 Dec 91 p 6

[Editorial: "South-North Basic Pact"]

[Text] For the first time ever we can now realistically expect the two Koreas to peacefully co-exist with the signing of an agreement on political reconciliation, military nonaggression, personnel exchanges and economic cooperation.

The signing has come after more than 46 years of hostility from the time of the division of the Korean peninsula. If we count from the time of the announcement of the July 4, 1972 joint communique on peaceful efforts for reunification, we have been waiting almost 20 years for this historic moment.

When the Seoul and Pyongyang governments agreed in 1990 to hold a meeting of high-level government officials to improve South-North relations, the world's political, economic, and military environments were seeing drastic changes, and the two Koreas were pressured to adapt to this changing new world. From that time it has taken another year and a couple of months for the two sides to end haggling over what only amounts to preambles to their relations and take practical steps to promote their mutual interests.

The day of Dec. 13, 1991 is a day no Korean will forget, whether in the South or North. Early in the morning of this day at the concluding session of the 5th South-North high-level meeting in Seoul, the two prime ministers signed the agreement which will become the basic pact between the two governments for the improvement of their relations. The agreement will become effective when a few necessary further steps are taken in each capital and it is expected that the official agreement will be exchanged at a sixth premiers' meeting soon.

The South-North Agreement includes accords in three areas, namely reconciliation, nonaggression, and exchanges and cooperation. In the agreement, the South and North have promised to respect each other's political and social systems, and refrain from any subversive activities.

Both parties have also agreed not to use arms against each other. They further agreed on the free flow of various information and visits of people of the two sides, and promotion of balanced development of the national economy and the welfare of the entire people on both sides.

However, the most sensitive issue of the production of nuclear weapons in North Korea and denuclearizing the whole peninsula was shelved for further discussion by a group of officials and experts who will soon meet at Panmunjom.

The North will thus be given a face-saving opportunity to end its long and stubborn refusal to allow international inspection of its nuclear facilities. The commissioned negotiators will discuss the South's "declaration of a nuclear-free Korea" and the North's "declaration for denuclearization of the Korean peninsula" at the truce village in Panmunjom.

At the moment the difference in the positions maintained by both parties on the nuclear issue seems to be minor, but any difference is significant in this affair. Pyongyang has insisted on the removal of the U.S.-provided nuclear umbrella for the South while the South demands an immediate on-site inspection of the North's nuclear installations.

Yet, the chances of an eventual agreement on the nuclear issue seem to be much greater than at any other time now that the agreement on nonaggression has been signed to open a new inter-Korean relationship. We also know that the North is very conscious of the widespread international criticism against its nuclear programs, which has thrust Pyongyang into greater isolation from the rest of world communmity.

It has taken such a long time for the two Koreas to come to see each other from realistic viewpoints and if both sides are sincere and honest with each other this moment will truly become the beginning of a peaceful new page in the history of the inter-Korean relationship.

We all can foresee the reunification of Korea coming sooner than we had thought.

'Concrete' Agreement Will Achieve Reconciliation

SK1412032191 Seoul THE KOREA HERALD in English 14 Dec 91 p 8

[Editorial: "Historic S-N Accord"]

[Text] After half a century of painful confrontation, South and North Korea turned over a new leaf yesterday by hammering out a significant breakthrough in the unification of the country. The successful conclusion and signing of an accord on reconciliation, nonaggression, exchange and cooperation in a dramatic culmination of the fifth-round inter-Korean premiers' talks in Seoul surely heralds the beginning of a new era of peaceful coexistence and mutual prosperity on the Korean Peninsula.

If the agreement, which is in fact a bilateral pact that would govern overall relations between the two Koreas until their unification, takes on a concrete and practical shape, the two sides will be able to avert war, achieve reconciliation and finally realize national unification. In a post-signing announcement, the two sides pledged their utmost efforts to have the accord ratified by their respective legislatures so that the contents of the accord could be rapidly translated into action.

The historic document testifies, among other things, to the fact that Pyongyang recognizes Seoul as the party with which it would work together in transforming the current state of armistice into permanent peace. Pyongyang had maintained that the United States is its counterpart in the dialogue for changing the armistice agreement, which it signed with the United States to end the Korean War in 1953, into a peace treaty

Notwithstanding the obvious chasm existing between the two sides on the sensitive question of North Korea's nuclear arms development program, a good beginning has been marked, providing a solid basis for optimism for more efficient and fruitful negotiations on this critical issue. Both sides agreed that they would have working-level contacts on the issue in Panmunjom before the end of the year. However, any failure to prevent Pyongyang from realizing nuclearization could spoil the much desired inter-Korean accord, given the enormity of the issue.

The South this time apparently went to considerable length in making concessions to the demands of the North, which enabled the birth of the pact. Pyongyang, for its part, seemed to have followed the tide of the time in the wake of the collapse of communism in the Soviet Union and elsewhere, relenting somewhat to international pressure for reconciliation.

Whatever achievements made so far in inter-Korean relations, however, are far from sufficient to warrant rash optimism. The accord will be meaningless unless the two parties exhibit strong resolve to abide by it to the letter. Mere euphoria over the accord will lead us nowhere.

In fact, we have had enough "beating around the bush." It is high time that the two sides start more substantial and practical talks and thus produce some tangible results that can truly contribute toward the national aspiration of unification. The entire Korean people have waited too long to see both parts of the peninsula opened to each other for peaceful exchange and cooperation ending the traumatic confrontation. If the historic agreement signed yesterday cannot be further exploited and developed in practical fashion, the goal and ideals of the accord could remain as remote as ever. We cannot afford to let this precious opportunity go unused.

Burma

Aung San Suu Kyi Removed From Democracy League

BK1512153391 Rangoon Radio Burma in Burmese 1330 GMT 15 Dec 91

[Press Release No. 38/91 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar dated 15 December 1991]

[Excerpt] The Election Commission hereby issues a press release and has put on record the following matters presented by some political parties registered with this commission:

1. The National League for Democracy [NLD] has presented the following statement signed by Chairman U Aung Shwe on behalf of the NLD Central Executive Committee. It states that there is concrete evidence regarding Daw Suu Kyi's contacts with the insurgents as mentioned and made known by the secretary-1 of the State Law and Order Restoration Council [SLORC] in one of the news conferences. Moreover, foreign broadcasting stations like the BBC, VOA, and AIR [All India Radio] have been continuously quoting Daw Suu Kyi as the leader of the National League for Democracy in their agitating broadcasts. Thus, the Elections Commission assumes that Daw Suu Kyi is indirectly receiving support from an organization from a foreign country and has discussed the matter with the NLD.

The NLD is an organization that pursues the national interest for the good of the country and the people. It also considers the cause of the country to be more important than a personal cause. Thus, in order to continue to pursue the noble national cause, the NLD Central Executive Committee in its meeting held on 11 December 1991 passed a resolution removing Daw Aung San Suu Kyi as a member of the NLD. [passage omitted]

Military Presence 'Scaled Down' in Rangoon

BK1412123491 Hong Kong AFP in English 1209 GMT 14 Dec 91

[Text] Bangkok, Dec 14 (AFP)—Burmese troops continued to guard key parts of Rangoon, but their presence, which had dramatically increased after anti-junta demonstrations earlier this week, was scaled down Saturday, residents said.

The road where pro-democracy leader Aung San Suu Kyi lives under house arrest has also been reopened after it had been closed with soldiers setting up barbed wire barricades, the sources said by telephone.

Troops were deployed around the campus of Rangoon University and in the nearby University Avenue where Aung San Suu Kyi lives when student demonstrations broke out to demand her release.

Burma's military junta closed universities and colleges throughout the country after two days of protests that began Tuesday, the day Aung San Suu Kyi's son accepted the Nobel Peace Prize on her behalf in the Norwegian capital of Oslo.

According to foreign sources in the Burmese capital, up to 100 students were arrested during the rallies which took place in Rangoon University's campus.

There were reports that similar demonstrations had took place in Mandalay, Burma's second-largest city, where some 10 to 20 students may also have been arrested.

Residents said there were still more soldiers than usual Saturday near the house of Aung San Suu Kyi, who has been held incommunicado for almost two and a half years, but their presence had been considerably reduced and made less visible.

More Students Leave Rangoon for Home Towns

BK1312143791 Rangoon Radio Burma in Burmese 1330 GMT 13 Dec 91

[Excerpts] Following the temporary closure of universities, colleges, institutes, and schools in Yangon [Rangoon], authorities from the Myanmar [Burma] Railways, the Road Transport Enterprise, the Inland Water Transport Enterprise, Myanmar Airways, and the Bus Routes Control Committee have been providing special transport programs to assist students leaving for home to join their parents.

Students began leaving for their home towns yesterday. A total of 3,193 students left Yangon today in trains, ships, planes, and buses. [passage omitted] The departing students were assisted by U Win Maung, director general of the Department of Higher Education, and rectors, deans, faculty members, and responsible persons from universities, colleges, and institutes concerned.

It has been learned that the situation in Yangon, which is busy with its normal activities, is normal.

Assistance Given to Students

BK1412144491 Rangoon Radio Burma in Burmese 1330 GMT 14 Dec 91

[Text] Following the temporary closure of universities, colleges, institutes, and schools in Yangon [Rangoon], authorities from the Myanmar [Burma] Railways, the Road Transport Enterprise, the Inland Water Transport Enterprise, the Myanmar Airways, and the Bus Routes Control Committee have been providing special transport programs to assist students leaving for home to join their parents.

Students have been leaving for their home towns and today also students left Yangon in trains, ships, planes, and buses. They were given all necessary assistance by the responsible concerned personnel.

Rangoon 'Quiet;' No Incidents During Marathon

BK1512095291 Hong Kong AFP in English 0943 GMT 15 Dec 91

[Text] BANGKOK, Dec 15 (AFP)—Rangoon was quiet Sunday and a marathon race in the city passed off without incident, residents said.

After last week's demonstrations by pro-democracy students at the city's university, there were fears that anti-junta demonstrations might break out during the race.

The race went off peacefully and there were no reports of incidents, the residents said.

After two days of demonstrations at the university involving up to 1,000 students, the junta shut down all institutes of higher education throughout the country and sent thousands of students to their homes in the provinces.

The country's colleges have been closed "temporarily," official Radio Rangoon has reported, but no date has yet been announced for their reopening.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Says No 'Sensitive' Investment Sector

BK1412152391 Kuala Lumpur NEW STRAITS TIMES in English 13 Dec 91 p 14

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed has assured Singapore investors that they are welcome to put their money in all sectors in Malaysia.

No sector was considered "sensitive" where investments by Singaporeans were barred, he added.

He gave the assurance at a two-hour meeting with a high-level investment mission from Singapore at his office in Kuala Lumpur yesterday, the first meeting between the Prime Minister and a business delegation from Singapore.

Singapore Director of International and Policy Studies, Prof Tommy Koh, who led the 24-member delegation told reporters on emerging from the meeting that there was no political sensitivity involved pertaining to the kind of investment allowed from Singapore.

"The bottom line is, we have heard from Datuk Sri Dr. Mahathir a strong reiteration of the warm welcome Malaysia will extend to Singapore investment," he said.

He added that the policy applied to both Government and non-Government companies.

He said Malaysia's reiteration of this policy was very important "for our business leaders to hear".

The delegation was given the same assurance by Finance Minister Datuk Sri Anwar Ibrahim when they attended a briefing at his office yesterday.

Singapore Trade Development Board chairman Alan C.Y. Yeo expressed confidence that Singapore investment in Malaysia would increase as a result of the meeting with the Prime Minister.

"Trade between the two countries is growing at a very high rate and I would not be surprised that in a few more years Malaysia would be Singapore's number one trading partner," he said.

Mr Yeo said it was now up to business leaders.

'Clear and Correct Picture' of ASEAN Urged

BK1612060291 Kuala Lumpur BERNAMA in English 0533 GMT 16 Dec 91

[Text] Kuala Lumpur, Dec 16 (OANA-BERNAMA)—The western media should give an accurate and better picture of ASEAN to correct the bad publicity they gave to its activities, an ASEAN meeting on culture and information was told Monday.

A clear and correct picture could help improve the image of the grouping, especially in the face of the adverse outcry over the economic activities of some member countries, the East Malaysian Sarawak State Chief Minister, Abdul Taib Mahmud said.

He cited the case of Malaysia, particularly Sarawak, which had been the target of inaccurate and adverse criticism over the so-called uncontrolled depletion of her tropical rainforests.

In his speech opening the 25th meeting of the ASEAN Committee on Culture and Information (COCI) in Sarawak's capital, Kuching, read by his deputy, Alfred Jabu, he said it was high time that the foreign media give a true picture of the activities of the region.

This is vital in the context of current developments as businessmen will be reluctant to deal with countries that are not "politically correct" in issues of global importance and interests especially on environment and human rights, he added.

He also said it was imperative for ASEAN member countries to have mutual understanding and to keep each other informed in order to achieve the grouping's objectives, both economically and socially.

Earlier, ASEAN-COCI chairman, Encik [Mr.] Alex Leo Zulkarnain, spoke on the necessity for the organisation to be more dynamic and responsive towards the rapid changes and challenges ahead.

He particularly noted the invasion of culture and information by the transnational audio-visual media. This was necessary in order to maintain the ASEAN identity in culture and information dissemination, he said.

Forty-five delegates from all six member countries are attending the four-day meeting.

Communist Leader To Be Briefed on Possible Return

BK1412074891 Kuala Lumpur NEW STRAITS TIMES in English 12 Dec 91 p2

[Text] Penang, Wed.—Malaysian security authorities will meet Communist Party of Malaya (CPM) leader Chin Peng at the end of the month to clarify "misunderstandings" on the conditions of their return to the country.

The meeting, arranged by Thai security authorities, is expected to be held either in Bangkok or Hat Yai.

Malaysian Army Corps Commander Lieutenant General Datuk Borhan Haji Ahmad said today the main aim of the meeting was to explain to Chin Peng and CPM members the conditions they would be allowed back into Malaysia.

"There have been misunderstandings on several issues regarding the conditions... to enable ex-CPM members to return to Malaysia.

"Among other things, they are required to renounce the CPM and pledge loyalty to the Yang di-Pertuan Agong [Paramount Ruler]," he said after releasing a joint press statement on the 58th Malaysia-Thailand Regional Border Committee (RBC) Meeting here today.

Lt. Gen. Datuk Borhan and Thailand's Commanding General, 4th Army Area, Lt. Gen. Datuk Kitti Rattanachaya are the joint chairmen of the RBC.

Asked if the Thai authoritiers will participate in the meeting with Chin Peng, Lt. Gen. Datuk Rattanachaya said they were only arranging the meeting.

Cambodia

Sihanouk Comment to Bush Over Peace Plan Noted

BK1412070591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 14 Dec 91

[Text] Samdech Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] of Cambodia, asked the United States not to be overly concerned about the implementation of the Cambodian peace treaty when Charles Twining, U.S. envoy to the SNC, left Phnom Penh for Washington yesterday.

Twining will return to Phnom Penh on 1 January 1992 after reporting to U.S. President George Bush on the situation in Cambodia, U.S. diplomats said.

Samdech Norodom Sihanouk on Thursday, 12 December said U.S. President George Bush should not worry too much about the implementation of the Cambodian peace treaty. The samdech added that he himself and all the SNC members vowed to abide by the UN peace agreement 100 percent, not just 80 or 90 percent.

The Cambodian peace treaty signed in Paris on 23 October stipulates that the 12 SNC members should meet in Phnom Penh to represent Cambodia's sovereignty until free elections are organized in Cambodia in early 1993.

Aims To Calm U.S. Fears

BK1412060891 Phnom Penh SPK in English 0446 GMT 14 Dec 91

[Text] Phnom Penh SPK Dec. 14—U.S. envoy Charles Twining left here Friday for Washington, where Prince Norodom Sihanouk has asked him to calm U.S. fears over implementation of the Cambodian peace treaty, reports AFP.

Twining, envoy to Cambodia's Supreme National Council (SNC), is to return to Phnom Penh around January 1 after reporting to U.S. President George Bush on the situation in Cambodia, U.S. diplomats said.

Prince Sihanouk, the SNC president, said Thursday that Twining had asked him if he had a message for Bush.

"I say that His Excellence (Bush) should not worry about the implementation of the Cambodian peace treaty", the prince said he told Twining.

"I'm absolutely committed to implementing it and having it implemented to the SNC 100 percent. Not 80 percent but 100 percent".

The October 23 peace treaty calls for the SNC to meet in Phnom Penh to represent Cambodian sovereignty until the United Nations can organize elections in early 1993. The reconciliation body groups leaders of the Phnom Penh government and the guerrilla resistance.

Washington is apparently concerned that Sihanouk has been working too closely with the Phnom Penh regime since he returned from exile one month ago, and ignoring the U.S. and Chinese-backed resistance factions that make up the other half of the SNC.

"I am pro-SNC has to be here", [as received] the prince said, complaining that leaders of the Khmer Rouge and the other two resistance factions had failed to return.

"They're all over the place but not in Phnom Penh. So I have to work with the only government that exists and not the SNC", he said.

Leaders of the two non-communist resistance factions—Prince Sihanouk's son Prince Norodom Ranariddh and former Premier Son Sann—are expected to return here in the next few days, diplomats said.

But the prince said he had no indication when the two Khmer Rouge leaders, Khieu Samphan and Son Sen, would arrive.

A mob tried to lynch Khieu Samphan hours after he arrived from Bangkok on November 27, forcing him to flee the country under Army escort.

Close to one million Cambodians died under the Khmer Rouge's radical Marxist rule from 1975 to 1979.

The faction is now the most powerful in the three-party resistance, which controls about 20 percent of Cambodia.

Australia's Evans Arrives for Visit 16-18 Dec

Visit Previewed

BK1412061591 Phnom Penh SPK in English 0441 GMT 14 Dec 91

[Text] Phnom Penh SPK Dec. 14—Australia's minister for foreign affairs and trade, Senator Gareth Evans, is due to make an official visit to Cambodia from 16-18 December.

According to a press announcement of the Australian Permanent Mission here, Senator Evans, whose association with Cambodia began in the 1960s, helped shape the peace agreement signed by four Cambodian parties in Paris on 23 October.

His visit will follow that of two other foreign ministers who were also major contributors to the peace process, Asa Sarasin of Thailand (20-22 Nov.) and Roland Dumas of France (22-24).

Senator Evans' trip to Cambodia follows recent visits to Australia by FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] President Prince Norodom Ranariddh and Prime Minister Hun Sen.

During his three-day visit, Senator Evans will meet SNC [Supreme National Council] Chairman Prince Norodom Sihanouk, Prime Minister Hun Sen, party President Chea Sim, Foreign Minister Hor Namhong, Prince Ranariddh and KPNLF [Khmer People's National Liberation Front] President Son Sann.

He will also visit the Australian Army's UNAMIC [United Nations Advance Mission in Cambodia] contingent, the national museum, the Australian joint venture DPT/OTCI satellite earth station, and Tuol Sleng museum.

Accompanied by Prime Minister Hun Sen, he will then spend a day visiting monuments in the Angkor Wat complex including Banteay Srei, will visit the Australian funded Baray irrigation scheme, and stay overnight in Siem Reap on Tuesday 17 December.

Senator Evans, a lawyer by profession, was Australia's attorney-general then minister for transport and communications before being appointed minister of foreign affairs and trade in 1988. He is also the co-author of a book, Australian Foreign Policy in the 1990s, which was published recently.

Receives Warm Welcome

BK1612051191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 16 Dec 91

[Text] A delegation of the Australian Foreign Ministry led by His Excellency Senator Gareth Evans, Australian minister for foreign affairs and trade, arrived in Cambodia at 0940 on the morning of 16 December for an official visit from 16 to 18 December at the invitation of Samdech Preah Norodom Sihanouk, Cambodia's chief of state and chairman of the Supreme National Council [SNC].

At Pochentong Airport, His Excellency Senator Gareth Evans was accorded a very warm welcome by Mr. Hor Namhong, foreign minister of the State of Cambodia [SOC] and member of the SNC; Mr. Ieng Muli, member of the SNC; and many officials from the SOC Foreign Ministry.

His Excellency John Scott Holloway, Australian ambassador extraordinary and plenipotentiary to Cambodia, was also on hand to welcome the delegation at the airport.

During his three-day visit to Cambodia, His Excellency Senator Gareth Evans will meet with Samdech Preah Norodom Sihanouk, Cambodia's chief of state and chairman of the SNC, and hold talks with Their Excellencies Chea Sim and Hun Sen, Prince Norodom Ranariddh, and His Excellency Hor Namhong. He will also meet with Their Excellencies Son Sann and Khieu Samphan.

Reiterates Commitment to Development

BK1612071291 Melbourne Radio Australia in English 0500 GMT 16 Dec 91

[Text] The Australian foreign minister, Gareth Evans, has reiterated Australia's commitment to Cambodia's long-term development. Senator Evans made the remark on his arrival in the Cambodian capital, Phnom Penh, for a three-day visit. He said that during the visit he would be pushing for the speedy implementation of the Cambodian peace treaty signed in October.

Under the agreement, the Phnom Penh government and the three Cambodian resistance groups have formed a Supreme National Council to represent the country's sovereignty while the United Nations organize its elections.

Senator Evans is being accompanied by seven Australian businessmen representing industries including telecommunications, oil, and aviation.

Hun Sen Urges Speeding Up Peace Plan

BK1612082091 Hong Kong AFP in English 0732 GMT 16 Dec 91

[By Andrew Sherry]

[Text] Phnom Penh, Dec 16 (AFP)—U.N. troops must disarm most Cambodian forces before the April rains, Phnom Penh Premier Hun Sen told visiting Australian Foreign Minister Gareth Evans here Monday.

Hun Sen also warned that Cambodia's Supreme National Council (SNC) would descend into a "political crisis" if resistance faction chief Son Sann insisted on demanding government posts for resistance officials.

Senator Evans said when he arrived from Bangkok that he would push for speedy implementation of the October 23 Cambodian peace treaty, a document he helped to shape.

"We want to get the SNC, obviously, operating here in place. We want to get the UNTAC [UN Transitional Authority in Cambodia] forces on the ground as fast as humanly possible," he said.

The treaty calls for the SNC, which groups leaders of the Phnom Penh Government and the three resistance factions, to meet in Phnom Penh to represent Cambodian sovereignty until the United Nations Transitional Authority in Cambodia (UNTAC) can organize elections in early 1993.

"I want UNTAC to deploy here as soon as possible and I want a 70 percent reduction of forces to be completed before the end of this dry season," Hun Sen told reporters after his meeting with Evans.

The peace plan calls for UNTAC to oversee a 70 percent demobilization of the rival Cambodian armies, with the rest to be placed in cantonments under U.N. supervision.

The April rains will make transport and supply difficult, and may boost banditry, Hun Sen said.

"If the 70 percent are demobilized in the wet season they will not be able to take part in rice production. They will have no stability in their lives. Some units may become involved in armed robberies," he said.

The United Nations is still hammering out UNTAC's budget and has not decided when the body—which is to include at least 5,000 soldiers—will deploy in Cambodia.

Senior Australian officials said last week in Canberra they feared UNTAC would not be ready to deploy until mid-1992.

Evans later met with Prince Norodom Sihanouk who also urged the rapid and complete implementation of the peace treaty.

But the SNC chairman could not say when Khmer Rouge leaders Khieu Samphan and Son Sen would return to Phnom Penh to complete the SNC. The two leaders fled after a November 27 mob attack on Khieu Samphan. A Khmer Rouge "advance party" was to return here Tuesday, Prince Sihanouk said.

Hun Sen reiterated that he could not prevent demonstrations when the Khmer Rouge leaders returned here to take their seats on the SNC, but he pledged that security forces would keep demonstrators at least 300 meters (yards) from SNC headquarters, where the faction leaders are to be housed.

The Khmer Rouge killed an estimated one million people after seizing power in 1975 and implementing radical Marxist rule. Vietnamese troops ousted them from Phnom Penh in January 1979, triggering a 12-year guerrilla war whose end is meant to be marked by the peace treaty.

The leaders of the two non-communist resistance factions—Prince Sihanouk's son Norodom Ranariddh and former premier Son Sann—sat in on Evans' visit with Prince Sihanouk, alongside Hun Sen and Foreign Minister Hor Namhong.

Prince Ranariddh told AFP [AGENCE FRANCE-PRESSE] upon his arrival from Bangkok earlier Monday that his faction maintained a political and military alliance with Phnom Penh's ruling party, but that any job-sharing could be decided only by consensus of the SNC.

"If there is a coalition government, I will not assume any ministerial responsibility," he stressed.

Hun Sen, for his part, categorically ruled out Son Sann's proposal that guerrilla leaders be given official posts to help rebuild the country, saying it violated the peace agreement by distorting the role of the SNC.

"I stressed that the SNC was not a government and... Gareth Evans agreed with me," said Hun Sen, whose government controls 80 percent of the country.

"I must warn that if there are any requests beyond the (peace) agreement there will be a political crisis within the SNC."

A proposal by Evans last year for a major U.N. role in Cambodia became the basis of this year's peace accord.

Evans said upon arrival that he felt a personal sense of "real delight" at visiting Cambodia for the first time since backpacking through in 1968.

"I was here for a few days as a student before the horror swept over this country," he said, referring to the 1975-1979 Khmer Rouge reign of terror, which was preceded and followed by years of war.

"I have a very strong sense of affection for the country, for the people. I have a very strong sense of distress for the troubles the country has been through, (and) I have a very strong sense of joy now that those troubles seem to be behind us."

Evans was accompanied by seven Australian businessmen representing telecommunications, oil and gas, water and electricity, financial services and aviation firms.

"We really are very keen to assist in the longer-term development of the country," Evans said.

He was to visit Tuesday the 40 Australian troops with the U.N. Advance Mission in Cambodia, here to pave the way for UNTAC, and spend Tuesday afternoon and Wednesday visiting the Angkor temple complex before flying out via Bangkok.

Views Peace Agreement With Sihanouk

BK1612134491 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 16 Dec 91

[Text] At 1200 on 16 December 1991, after his arrival in Cambodia, His Excellency [H.E.] Senator Gareth Evans, Australian minister of foreign affairs and trade, called on Samdech Preah Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council [SNC], at the Khemarin Palace to seek further understanding on a number of issues around the implementation of the Cambodian peace agreement signed in Paris.

Present on this occasion were H.E. Hun Sen, chairman of the State of Cambodia's Council of Ministers and SNC member, and his wife; H.E. Hor Namhong, State of Cambodia's foreign minister and SNC member, and his wife; Prince Norodom Ranariddh, SNC member, and his wife; and H.E. Son Sann, SNC member.

Speaking on this occasion, Samdech Preah Norodom Sihanouk expressed great joy at the presence of Senator Gareth Evans at a time when political events relating to the search for peace in Cambodia are actively moving forward. The samdech further said we would like to welcome and highly appreciate the great efforts of the Australian Government, with the direct contribution of H.E. Gareth Evans, which have enabled the political solution on Cambodia to reach the final phase in order to end the chronic war in Cambodia lasting over 20 years.

He stresed that Australia has played an important role in bringing to a successful end the Cambodian peace plan in which Australia has contributed a large part to the peacekeeping mission in Cambodia.

Replying, H.E. Senator Gareth Evans expressed great joy at visiting Cambodia and profound thanks to Samdech Preah Norodom Sihanouk for giving him the opportunity to pay a courtesy call and understand a number of problems. He also expressed the firm belief in the State of Cambodia's Government which has created sufficient conditions for his historic visit to Cambodia. He also pledged to do all he can to move forward effectively the peace process in Cambodia.

Agreement With India To Strengthen Relations

BK1412091691 Delhi All India Radio Network in English 0830 GMT 14 Dec 91

[Text] India and Cambodia have agreed to strengthen and expand their economic and political relations. The minister of state for external affairs, Mr. Eduardo Faleiro, today held detailed discussions with Prince Sihanouk and Prime Minister Hun Sen in Phnom Penh. Both the countries decided to expand and strengthen the existing friendly relations between them.

Our Southeast Asia correspondent reports from Phnom Penh: Recalling that the historic ties between India and Cambodia, the prince thanks New Delhi for always being with the people of Cambodia [sentence as heard]. He commended India's role in bringing the rival factions toward peace. He also appreciated India's reconstruction work at the Angkor Wat temple complex. Prince Sihanouk said that India can participate in a big way in the UN transitional group for Cambodia. Mr. Eduardo Faleiro promised all possible assistance for Cambodia's reconstruction and development. Mr. Faleiro invited the prince to visit India with Prime Minister Hun Sen. The prince accepted the invitation and expressed the hope that he may be able to visit India sometime during next year. Mr. Faleiro also handed over a message from the prime minister commending the crucial role played by Prince Sihanouk in bringing peace in Cambodia.

Minister: India To Help Rebuilding Process

BK1512083191 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 15 Dec 91

[Text] According to informed sources in Phnom Penh, Indian Foreign Minister Eduardo Faleiro [title as heard], at yesterday's meeting with Samdech Preah Norodom Sihanouk—head of state of Cambodia and chairman of the Cambodian Supreme National Council [SNC]—pledged to render international assistance for the reconstruction of Cambodia.

The meeting came one day after India established diplomatic relations with the SNC. The diplomat told Samdech Preah Norodom Sihanouk that India would help Cambodia as much as it can.

Later at a news conference, Faleiro said India would send military or civilian personnel to join the UN Transitional Authority in Cambodia [UNTAC], which will stay in the country until free elections are organized in 1993.

Two Indian liaison officers have already joined a UN mission in Cambodia which is charged with paving the way for UNTAC.

During his three-day visit to Cambodia, Faleiro said India could help rebuild Cambodia's communications or agriculture sector, but he did not elaborate.

Faleiro was accompanied by Ambassador Chandra Mohan Bhandari, who presented his credentials to Samdech Preah Norodom Sihanouk on Friday, 13 December.

Sihanouk Meetings With Foreign Officials Noted

Receives Swiss Envoy

BK1412122991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 14 Dec 91

[Text] On the morning of 13 December at the Khemarin Pavilion, His Excellency (Gerard Fonjallaz), head of the Swiss Confederation's diplomatic mission to the Supreme National Council of Cambodia, presented his credentials to Samdech Preah Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian SNC.

On that occasion, Samdech Preah Norodom Sihanouk, on behalf of the SNC and the State of Cambodia Government and in his own name, said he was very pleased with the Swiss representative's mission to the SNC. He said they supported His Excellency's noble task in promoting the time-honored relations of the two countries. The samdech added that the war had plunged Cambodia into a sunless abyss between 1975 and 1978, causing hardship to the Cambodian people. Yet, the Swiss Government and people have always shown their generousity and friendship and have given assistance to the Cambodian people.

H.E. (Gerard Fonjallaz) pointed to Switzerland's efforts to bring about the friendly cooperation between the two countries, contributing to the reconstruction of Cambodia.

Meets PRC Envoy

BK1512012291 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 14 Dec 91

[Text] On 12 December 1991, Fu Xuezhang, PRC representative to the Cambodian Supreme National Council [SNC], presented his credentials to Samdech Norodom Sihanouk, Cambodia's head of state and SNC chairman, as diplomat accredited to the SNC in Phnom Penh.

On this occasion, the samdech cordially and warmly talked to Fu Xuezhang. The samdech recalled the history and long-standing friendship between China and Cambodia. The samdech also profoundly thanked the Chinese Government and people for their assistance, support, and attention to the Cambodian people.

The samdech further said that the Cambodian people and the SNC will srtrive to cooperate with the Chinese people to further increase Cambodian-Chinese friendship, mutual trust, and close cooperation based on the spirit of mutual respect.

The fact that the PRC accredited a diplomat to the SNC headed by Samdech Norodom Sihanouk, Cambodia's head of state, is a gesture showing that China recognizes the SNC as the only legitimate state organ and sole source of power representing Cambodia's sovereignty, independence, and union in the transitional period.

Greets UNICEF Envoy

BK1412130291 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 14 Dec 91

[Text] On the morning of 13 December at Khemarin Pavilion, Mrs. (Anne Bruzellius), representative of the UNICEF to Cambodia, presented the credentials to Samdech Preah Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council [SNC].

On that occasion, Samdech Preah Norodom Sihanouk said he was very happy with Mrs. (Bruzellius') mission to Cambodia since it is indispensable to the task of assisting the Cambodian children. The samdech added that he enthusiastically welcomed the UNICEF's trustworthy activities in Cambodia which had helped improve the awful living conditions of the Cambodian women and children caused by the nearly 20-year protracted war.

In her reply, Mrs. (Bruzellius), on behalf of the UNICEF staff, thanked the Cambodian side for its past cooperation and pledged to intensify UNICEF's efforts to promote the Cambodian children's well-being. She also wished the samdech zealous physical strength so he is able to continue leading the SNC to success.

Receives Amnesty International Body

BK1412074291 Phnom Penh SPK in French 0428 GMT 14 Dec 91

[Text] Phnom Penh 14 Dec (SPK)—Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council [SNC], on the evening of 12 December received in Phnom Penh a delegation of Amnesty International led by its general secretary Roger Clark.

Also present were Ieng Muli, SNC member; General Sin Sen, deputy interior minister; Chan Min, chief prosecutor of the Cambodian People's Supreme Court; and representatives of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia].

Mr. Clark said by virtue of the Paris accord, the international community will strive to prevent Cambodia from going back to war. He said he has noted that a large number of prisoners have been released in Cambodia and called this a genuine humanitarian act.

For his part, Prince Sihanouk appreciated the activities of Amnesty International in protecting human rights and pointed out that Cambodia has abolished the death penalty and that the State of Cambodia has successively released detainees.

He pledged to provide all facilities to Amnesty International in its mission to protect human rights in Cambodia but thought that the mission would encounter difficulties in areas controlled by the Khmer Rouge. The prince also assured his guest that in order to gurantee the protection of human rights, power in Cambodia should be divided and independent, particularly the judicial power.

Norodom Sihanouk said he is in favor of the establishment of an Amnesty International office in Phnom Penh and expressed his willingness to sign the convention to prevent torture.

Sihanouk Urges SNC Members To Stay in Capital

BK1412073991 Phnom Penh SPK in French 0427 GMT 14 Dec 91

[Text] Phnom Penh 14 Dec (SPK)—Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council [SNC], called on all SNC members to be in Phnom Penh in order to attend meetings on a timely basis.

Talking to journalists on Thursday when he received the credentials of the chief of the Belgian diplomatic mission, the prince said he 100 percent respects the peace agreement recently signed in Paris by all Cambodian factions.

He said the delay in holding an SNC meeting in Phnom Penh is not his fault but is due to the absence of some SNC members. "I will wait for them but I will not let to much time go by because I need to serve my country and to improve the life of my people, victims of almost 21 years of war," he said.

Mr. Pierre De Muelaneae, permanent envoy of Belgium to the SNC, is the fifteenth foreign diplomat presenting credentials to Prince Norodom Sihanouk, SNC chairman, since his return to Phnom Penh on 14 November.

FUNCINPEC Supports Sihanouk Leadership

BK1412075891 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 14 Dec 91

["Communique" of the secretary general of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia—date not given; read by announcer]

[Text] Dear compatriots and distinguished members of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC]:

I am honored and very pleased to inform all of you the following:

The four major factions and political parties—the FUNCINPEC faction, the Cambodian People's Party [CPP], the Democratic Kampuchea faction, and the KPNLF faction—have solemnly declared, through their respective leaders, that the 18 March 1970 coup d'etat staged by Lon Nol and Sirimatak to topple Samdech Preah Norodom Sihanouk is totally illegal. The coup is completely against law, freedom, and the Cambodian people's will. Therefore, Samdech Preah Norodom Sihanouk remains the legitimate and legal head of state of Cambodia as always.

In view of the abovementioned event, the FUNCINPEC secratary general would like the presidents and members of the FUNCINPEC all over the world to clearly mention in all circulars, letters, petitions, and so on addressed to Samdech Preah Norodom Sihanouk, our revered leader, the following:

Samdech Preah Norodom Sihanouk, head of state and chairman of the SNC: All of us, Sihanoukist, are extremely happy and proud that justice is finally rendered to our sacred Samdech Euv.

Since he has been crowned as king of Cambodia, he has never given up his duty to serve the country and nation. As always, he has courageously served with cleveness, insight, patience, and highest sacrifice for the supreme interests of the Cambodian people and nation and what is called the Cambodian populace.

[Signed] Norodom Ranariddh, secretary general of the FUNCINPEC and member of the SNC.

Recent Sihanouk Speeches Detailed

BK1412012291 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 13 Dec 91

[Commentary: "The Entire Cambodian Nation and People Want Genuine National Reconciliation and Union"]

[Text] The Paris agreement on Cambodia is a document for getting peace and security for Cambodia and for the country to have genuine national union with its territorial integrity, that is, enabling Cambodia to have national reconciliation and union and to unite around the Supreme National Council [SNC] with Samdech Norodom Sihanouk, head of state of Cambodia, as chairman.

As for the 27 November incident—the attack on the house in Phnom Penh of Their Excellencies Khieu Samphan and Son Sen, SNC members, the Cambodian people in and outside the country, and people the world over clearly know that it was an act violating the Paris agreement. This was a brutal act against the wish of the entire Cambodian people. All Cambodians should unite in the great national union without any split or quarrel, with no white, no black, no red, and no blue. This is the great national union around the SNC with Samdech Norodom Sihanouk, head of state of Cambodia, as chairman.

The samdech's statement to the Cambodian people in Phnom Penh and during the recent visit to Kompong Cham Province are in essence aimed at achieving national reconciliation and also nation union of Cambodians of all political tendencies. It is in this spirit of wanting national reconciliation and national union among all Cambodians that the entire Cambodian people in and outside the country again and again appeal to those who have signed the agreement to implement it well, correctly, and meticulously.

Sihanouk Speeches in Kompong Cham Viewed

BK1512015891 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 14 Dec 91

["Article": "Samdech Norodom Sihanouk, Cambodia's Head of State and SNC Chairman, Says Cambodia Is a Sovereign and Independent Country and Will Absolutely Not Allow Any Foreigners To Interfere in Its Internal Affairs"]

[Text] During a visit to Kompong Cham Province on 9 December 1991, Samdech Norodom Sihanouk, Cambodia's head of state and SNC chairman, said Cambodia is a sovereign and independent country and absolutely will not allow any foreigners to interfere in Cambodia's internal affairs.

This statement by the samdech comes from the samdech's lofty nationalist ideal showing his astuteness and courage to genuinely defend Cambodia's sovereignty and independence. This statement is fully in accordance with the profound aspiration of all Cambodians in and outside the country who want peace, security, sovereignty, and independence with territorial integrity.

Furthermore, this statement is also fully in conformity with the 23 October 1991 Paris agreement. There is a clause in this agreement saying in essence that Cambodia will take necessary measures to safeguard its sovereignty, independence, territorial integrity, neutrality, and national union. Cambodia will absolutely not allow any foreigners to interfere in its internal affairs. Peace- and justice-loving countries the world over also welcome this statement by the samdech because they want Cambodia to have genuine sovereignty and independence in accordance with the Paris agreement on Cambodia.

In sum, as long as the Paris agreement is correctly and thoroughly implemented, Cambodia will have genuine sovereignty, independence, territorial integrity, neutrality, and national union without outside interference as the samdech has said.

'Small Group of Culprits,' SRV Opposing Peace

BK1312014291 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 11 Dec 91

[Station commentary: "Who wants the correct and effective implementation of the peace accord for Cambodia and who wants the destruction of the agreement for the purpose of prolonging the Vietnamese war of aggression?"]

[Text] 1. An alliance of a small group of culprits and the Vietnamese aggressors continue to oppose the peace process for ending the Vietnamese war of aggression against Cambodia. The gang has been and will continue to be opposed to the process. It wants to do away with a peace accord for Cambodia. Since an agreement was reached in Paris on 23 October 1991, it has continued to carry out all manner of maneuvers to destroy the accord. For instance, the attack on Their Excellencies Khieu Samphan and Son Sen's residence in Phnom Penh on 27 November 1991 was a ploy jointly concocted by the criminal alliance and the Vietnamese aggressors for the purpose of blocking the Party of Democratic Kampuchea [PDK] from having a role to play in closing the books on the Vietnamese war of aggression against Cambodia. The incident was a gross violation of the accord—it encroached upon their immunity and caused bodily harm to the members of the Supreme National Council [SNC] of Cambodia in contravention of the agreement reached at the first meeting in Phatthaya and the Paris 25 October 1991 document. Also on 6 December, 58 U.S. senators wrote to President Bush urging him to prevent the PDK from being included in a settlement of the Vietnamese war of aggression against Cambodia;

2. Samdech Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian SNC, has said that the United States does not need to intervene in Cambodia's internal affairs; the Cambodian people are fully entitled to choose their destiny themselves. The UN secretary general has stated that the attack on Their Excellencies Khieu Samphan and Son Sen's house by the brutal forces of the alliance and the Vietnamese aggressors has seriously and directly endangered the process of implementing the peace accord in Cambodia;

3. In view of the abovementioned incident, who has the goodwill to restore genuine independence and peace to Cambodia and who has destroyed the peace accord with the intent of prolonging the devastating war in Cambodia?

4. The Cambodian nation and people both inside and outside the country and in rural areas and cities want the SNC headed by Samdech Norodom Sihanouk to join hands to implement the peace accord to end the Vietnamese war of aggression at the earliest date. National reconciliation and great national union are needed for the time being for the effective and correct implementation of the accord. And, in the future, the great national union is also needed, within the framework of a national government headed by Samdech Norodom Sihanouk, for the defense and reconstruction of the nation toward prosperity.

What is good, bringing peace, and allowing the people to earn a living as they wish will be supported by the Cambodian people. And what is bad, splitting up the nation and people, and bringing war will be categorically opposed and eradicated by the people.

Ranariddh Visits Germany To Establish Relations

BK1312102991 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Dec 91

[Text] Prince Norodom Ranariddh, general secretary of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] and member of the Cambodian Supreme National Council [SNC], paid a visit to Bonn, capital of Germany. This is to establish relations between Cambodia and Germany.

On this occasion, the prince met with His Excellency Carl Spranger, federal minister in charge of economic cooperation, and a number of high-ranking officials of the German Foreign Ministry. The prince paid a two-day visit to Germany, from 10 to 12 December.

Apart from meeting government officials, the prince also met with parliament members and a number of political parties' leaders, including (Landris Furgel) [as heard], leader of the Christian Democratic Party, and Karl Lamers, head of the commission in charge of foreign affairs of the ruling Christian Democratic Party.

In Germany, the prince visited important places. At the end of the visit, the Cambodian Association in Germany, led by Chuom Chamraoeun, president of FUNCINPEC in Germany, called on the prince who later hosted a reception in honor of Cambodian residents in Germany at which he made a political speech to brief these compatriots.

The prince is the first SNC member to visit Germany. This visit will establish relations between the great Germany with FUNCINPEC led by Prince Norodom Ranariddh.

Interview With Magazine Cited

BK1412032291 Phnom Penh SPK in English 0149 GMT 14 Dec 91

[Text] Phnom Penh SPK December 13—China was directly responsible for scuttling plans to form a coalition government in Cambodia between supporters of Prince Norodom Sihanouk and the Phnom Penh leadership, a Cambodia guerrilla leader was quoted by AFP and published by THE NATION on December 10 as having charged.

China moved to thwart the coalition for fear that it would "harm" its Khmer Rouge ally, Prince Norodom Ranariddh, Prince Sihanouk's son and the leader of guerrilla faction loyal to him told the German magazine DER SPIEGEL in an interview.

Excerpts of the interview, which was to be published Monday were made available in Bangkok to AFP.

According to Prince Ranariddh, a senior Chinese diplomat had told Prince Sihanouk, the neutral head of an interim authority of Cambodia's rival factions, "that a coalition government between my party and the party of (Phnom Penh Prime Minister) Hun Sen would be a threat to the peace plan and that China did not want to hear about it anymore".

"I had to bow to this pressure", Prince Ranariddh added.

Plans to set up a coalition government were unveiled shortly after Cambodia's peace treaty was signed in late October in Paris between Phnom Penh and a guerrilla alliance of the Marxist Khmer Rouge and two non-communist groups headed by Prince Ranariddh and former Prime Minister Son Sann.

But Prince Sihanouk, the chairman of the supreme national council (SNC) set up under the terms of the Paris accord, announced last week that it had been dropped following pressure from outside countries which he declined to identify.

The United States and Thailand have been said to have also been uneasy about the alliance of Phnom Penh's leadership and Prince Ranariddh's FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], seen as likely to derail Cambodia's fragile peace.

China does not want this alliance because it fears that it would harm its clients, the Khmer Rouge, Prince Ranariddh said.

China's massive military and diplomatic support allowed the Khmer Rouge to become the largest and strongest guerrilla group to fight Phnom Penh after the faction had been driven from power in January 1979 in an invasion of Cambodia by Hanoi's Armed Forces.

On Sunday, Hun Sen said the planned coalition government would be formed after United Nations' supervised elections which are to take place in Cambodia in early 1993.

Speaking during a tour by Prince Sihanouk of the eastern Cambodian province of Kompong Cham, he said that the political alliance between his Phnom Penh regime and FUNCINPEC had not been cancelled although the formation of a coalition government had been shelved temprarily.

"The political alliance between the two movements remains because there is no reason that they should be opposed to each other," Hun Sen said, adding that they both supported Prince Sihanouk.

Khmer Rouge Joint Resistance Party Idea Rejected

BK1612083991 Hong Kong AFP in English 0812 GMT 16 Dec 91

[Text] Bangkok, Dec 16 (AFP)—The Khmer Rouge asked its allies in the Cambodian resistance to form a joint political party ahead of the October peace conference, but the proposal was turned down, Cambodian sources here said Monday.

The two non-communist factions loyal to Prince Norodom Sihanouk and former premier Son Sann turned down the proposal, the sources said.

Prince Sihanouk is the neutral head of the Supreme National Council (SNC), an interim authority grouping representatives of all rival Cambodian factions including the Phnom Penh Government of Premier Hun Sen.

The accord brought an end to more than 12 years of war between the tripartite resistance and Phnom Penh.

Shortly after the accord, Prince Norodom Ranariddh, son of Prince Sihanouk and leader of the Sihanoukist faction, and Hun Sen announced their intention to create a coalition government.

But they had to abandon that plan in the face of strong outside opposition.

Earlier this month Prince Ranariddh told the German magazine DER SPIEGEL that China, whose massive assistance had turned the Khmer Rouge into the military muscle of the guerrilla alliance, had been directly responsible for aborting the planned coalition government.

The United States and Thailand also were said to be uneasy about the plan, fearing such an alliance might derail Cambodia's fragile peace plan.

Son Sann's Return, Ieng Muli's Activities Noted

BK1512065691 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 15 Dec 91

[Text] His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and member of the Supreme National Council [SNC] of Cambodia, left Bangkok, Thailand for Phnom Penh on the morning of Sunday, 15 December.

This is His Excellency Son Sann's second trip to Phnom Penh since the signing of the Paris peace accord.

Accompanying His Excellency Son Sann were his wife and the following four members of the KPNLF executive committee: Son Soubert, Ket Ret, Lay Khek, and Sar Sa-at.

Ieng Muli, another KPNLF member, has already been in Phnom Penh since the end of the SNC meeting in Phatthaya City on 3 December. Ieng Muli, secretary general of the KPNLF executive committee, arrived in Phnom Penh on 8 December. During his stay in Phnom Penh, Ieng Muli has worked in his capacity as a member of the SNC and a representative of the KPNLF.

On 9 December, Ieng Muli met with U.S. Ambassador to the SNC Charles Twining, British Ambassador David Burns, and head of the Australian diplomatic mission in Phnom Penh.

On the morning of 13 December, Ieng Muli together with Hor Namhong, member of the SNC from the State of Cambodia side, attended a ceremony at the Foreign Ministry in Phnom Penh in the presence of the French Ambassador to the SNC.

At 1800 on the same day, Ieng Muli welcomed Indian Foreign Minister Eduardo Faleiro, who paid a courtesy visit to him. The discussion between the two was held in an atmosphere of the closest intimacy. And at the end, the Indian foreign minister presented mementos from India to Ieng Muli as well.

Philippines

Aquino Says U.S. 'Must Leave' by 31 Dec

HK1612080891 Hong Kong AFP in English 0749 GMT 16 Dec 91

[Text] Manila, Dec 16 (AFP)—President Corazon Aquino said Monday that all U.S. forces must leave the Philippines by the end of December unless Washington signed an agreement with Manila to withdraw within three years.

"The United States Government is aware of our constitutional limitation that their forces cannot stay beyond December 31 unless they sign the withdrawal agreement," Aquino said in a statement

Aquino set a three-year withdrawal deadline after the Philippine Senate rejected a fresh 10-year treaty on Subic Naval Base, the main repair and supply yard of the U.S. 7th Fleet in the Philippines.

The president said she had instructed her executive secretary Franklin Drilon and the Philippine panel negotiating with Washington "to exert every effort to come up with a mutually acceptable three-year withdrawal agreement."

If no agreement is reached, either Washington or Manila will be able to invoke a 1966 accord to serve a one-year termination notice, she said.

"Both panels appreciate that if no agreement is reached, the Philippines is prepared to receive the same from the United States Government, in accordance with the Ramos-Rusk agreement," Aquino said.

Washignton in November turned over to the Philippine Government the control of Clark Air Base, which was heavily damaged in June by the eruption of Mount Pinatubo.

Early Withdrawal Without Agreement Threatened

HK1612012091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Dec 91

[Text] The United States may negotiate with the next administration regarding the Subic Naval Base lease as its talks with the Aquino government on a three-year withdrawal period have dimmed and failed. This matter surfaced after Executive Secretary Franklin Drilon warned that the Philippine Government will ask the United States to pull out its forces next year if no agreement on a three-year phaseout period is reached before the end of this year.

Drilon, chairman of the Philippine panel on the withdrawal talks, said that the two countries may not be able to beat the deadline for signing an executive agreement on 31 December because of the United States' continued refusal of the Philippine position on some vital issues.

A U.S. official confirmed that the informal talks had stalled due to some issues such as the Philippines' request for a nuclear weapons ban and a specific timetable for the removal of American forces from Subic Naval Base.

Rebels Give Conditions for Releasing U.S. Hostage

HK1412034591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Dec 91

[Text] The communist rebels gave three conditions, including a cease-fire in Northern Luzon, as a prerequisite for the release of the U.S. Army colonel presently detained in Cagayan Province. Former U.S. Army Colonel Arby Duane Drown was captured by communist rebels 14 months ago.

In its statement, the National Democratic Front [NDF] guaranteed to release Drown if the government complies with the conditions they have outlined. These conditions include: the suspension of military operations in Kalinga-Apayao, Cagayan, and Northern Isabella; the recall of Armed Forces of the Philippines troopers to their barracks; and the release of those prisoners suspected of supporting the New People's Army [NPA] in Northern Luzon.

Lieutenant Crispin Tanga Molina, NPA commander, stressed that they will declare a cease-fire in Northern Luzon once the government complies with the conditions they have enumerated.

Church Urges Release

HK1612062291 Manila PHILIPPINE DAILY INQUIRER in English 15 Dec 91 pp 1, 10

[By Sid C. Balatan]

[Text] Church leaders in Northern Luzon have called for a 22-day ceasefire in the region and urged communist guerillas to free a former U.S. Army colonel whom they captured more than a year ago.

Fr. Steve de Leon, coordinator of the Church's justice and peace office in Cagayan, said the release of ex-Col. Arby Duane Drown will be a "gesture of acceptance to the proposed Yuletide ceasefire."

Drown, 60, was seized by New People's Army [NPA] guerillas in October 1990, during rebel operations somewhere in the boundary of Cagayan and Kalinga-Apayao. NPA leaders have tagged Drown as an agent of the defense mapping agency of the U.S. Department of Defense.

De Leon said he will ask the Lt. Crispin Tagamolila Command, the NPA unit operating in Northern Luzon, to end Drown's 14-month captivity.

A statement issued by the Cagayan Priest Assembly, headed by Archbishop Diosdado Tatamayan of the Diocese of Tuguegarao, appealed for a "cessation of hostilities during the Christmas season from Dec. 16, 1991 to Jan. 6, 1992."

The group also urged the Armed Forces to stop counterinsurgency operations in Marag Valley, Zinundungan Valley, Paco Valley, Conner and Pinukpuk towns, all in the triboundary of Cagayan, Kalinga-Apayao, and Ilocos Norte.

"Silence the guns and bombs. Let the Christmas chants and laughter be heard instead," said the statement addressed to President Aquino and the NPA.

"Our people are tired of running for their lives. Our people are tired of killings, shelling, bombing. Our people are tired of war."

Noli Libertad, spokesman of the Lt. Crispin tagamolila Command, said the NPA will agree to a 22-day truce.

Libertad said the people needed respite from war, adding that the temporary peace should not be taken as a sign of weakness on both sides.

He claimed that over 460 soldiers were killed and 577 others were wounded in various encounters and NPA-initiated attacks in Cagayan Valley this year.

From Sept. 26-Dec. 5, he said, 74 soldiers were killed, 115 others were wounded, and 1,004 firearms were seized by the NPA in the region.

"Despite our tactical victories, we are not happy over the fate of our fellow soldiers, like us they are also sons and daughters of the peasantry and workers forced by the U.S.-Aquino regime to fight the war," Libertad said.

He said communist guerillas were not heartless and wanted to still their guns, especially during the Christmas season.

The NPA Melito Glor Command in Southern Tagalog earier said the guerillas were open to a longer Christmas truce.

Even NPA guerillas want to be with their families during the holidays, said the command's spokesman, Gregorio Rosal, alias "Ka [comrade] Roger."

Gen. Lisandro Abadia, AFP [Armed Forces of the Philippines] chief of staff, has rejected to a longer Christmas truce and recommended to malacanang a 48-hour ceasefire during Christmas and another 48-hour truce during the New Year.

Sen. Wigberto Tanada, chairman of the Senate committee on justice and human rights, favored a longer Christmas ceasefire which, he hoped, would eventually lead to a negotiated truce nationwide.

Diplomatic Ties Established With Lithuania

HK1612120891 Hong Kong AFP in English 1146 GMT 16 Dec 91

[Text] Manila, Dec 16 (AFP)—The Philippines and Lithuania have agreed to establish full diplomatic relations, the foreign department here said Monday.

The permanent Filipino representative to the United Nations, Sedfrey Ordonez, and Lithuanian Deputy Prime Minister Gediminas Serksnys said in a joint communique that their countries have decided to "establish diplomatic relations at ambassadorial level as from 15 December 1991."

Both governments have agreed to appoint non-resident ambassadors as their respective representatives at a mutually convenient time, the communique added.

Lithuania, one of three Baltic nations which seceded from the Soviet Union earlier this year, became a member of the United Nations in September.

Japanese Envoy Criticized Over Kickback Issue

HK1612054391 Manila PHILIPPINE DAILY INQUIRER in English 16 Dec 91 p 4

[Editorial: "Goto To Go"]

[Text] Ambassador Toshio Goto of Japan complains, and threatens. Solicitor General Francisco Chavez, he says, did not consult him before going to town crying Japanese firms had paid Marcos kickbacks out of official development assistance (ODA) funds. "Very bad what you do," he may as well say like Vic Diaz. "It affect future Japan aid to Philippines."

But why on earth should Chavez wish to consult him, before, during, or after his expose?

Goto may not know it, but the Filipinos drove the Japanese out of the Philippines half a century ago. Well, the Americans don't know that too—they think *they* did. If Japan continues to rule the Philippines, it is only through Japanese food. That does not include *goto* [Philippine dish of ric and chicken entrails].

Goto may not know it, too, but his government has apologized for dragging the Pacific into a war and bayonetting a good portion of its population. Apologies are normally made with a view to not repeating the thing for which one is apologizing. Does Goto's remarks remotely threaten war? They *should*, to a government that takes its independence seriously.

Why should Chavez wish to consult Goto at all? It Goto bound to unearth the crime and punish the criminals? Well, there's the case of Marioris Sioson to show what happens when the Philippines embarks on a joint venture with the Japanese authorities to investigate a crime against Filipinos. Sioson, the Japanese authorities repeated in computer monotone, died of hepatitis. Of course. But that is like saying that the carabao a master flogs routinely died of malnutrition. Carabaos do not die of malnutrition when they are treated like carabaos.

Telling Goto of the kickbacks will not solve the crime. It will make it impossible to do so.

We can understand though why Goto should get the impression that the Philippines does not take its independence seriously. And we can understand even more why he should get the impression it can be bullied by the threat of a suspension of aid. Both are amply evident. To this day, it hasn't gotten the U.S. bases out, even after its Senate had voted to do so. And no less than its president has been known to ask her people to give in to all the American demands or they may not get aid for the victims of natural disasters. And this is Red Cross-type aid—the kind the world unconditionally gives to victims of disasters.

As ODA goes, well, the Philippines has been known to see it as a drowning man sees a raft. Why it is called aid, only its donors know. It comes with all sorts of conditionalities, the developmentalese word for meddling, which makes the price to pay for "aid" steeper than anything actually bought. More than this, much of the aid often ends up unused, presumably for lack of meritorious projects, as is the case with the base-related Economic Support Fund. Feeding the hungry rarely qualifies as meritorious.

And still more than this, the aid merely serves to aid the donor's corporations. That's what the aid is for-to promote the donor's business community. Now, even more rarely does it happen that what is good for America or Japan Inc. is good for the rest of the world, least of all the "aided" countries. Japan is particularly notorious for this. Quite ironically for a country that has produced the haikou, it uses aid in this way with an infinite lack of subtlety, or grace. The Japanese executives *are* right to think the ODA is their own private expense account. And they *are* right to think the best way to a Philippine public official's heart is through his pockets.

But Goto forgets one thing, as the Americans did during the bases negotiations. What brings out the best in Filipinos is not injury, as those who keep saying the Filipino will rise from their disasters think. It's is *insult*. Rizal was right. It is not his wounds that bring the indio [Deregatory term used by Spaniards to describe Filipinos] to rebel against his oppressed lot. It is his wounded pride.

Of course, the indio forgets both insult and injury faster than a speeding bullet after the insulter has apologized. But that's another story.

Accusations Called 'Important'

HK1412085291 Manila DZXL Radio Mindanao Network In Tagalog 0700 GMT 14 Dec 91

[Text] Tension might develop between Japan and the Philippines due to accusations made by Solicitor General Frank Chavez that seven Japanese firms paid kickbacks to former President Marcos. According to Ambassador Toshio Goto, Chavez should have first informed him of this matter before publicly airing such accusations. Goto explained that the issue of kickbacks is important to them since the funds in question are from Japan's official assistance to the country.

Chavez said that his move regarding this issue may affect the Japanese aid. In an earlier statement, Chavez said that seven Japanese firms gave $55 million in kickbacks to former President Marcos.

Senate Opens Special Session; Salonga Ousted

HK1612110291 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 16 Dec 91

[Text] Congress started today the special session requested by President Aquino. Today is supposedly the start of Congress' one month recess but it was put on hold. The one week special session will allow the legislators to act on seven proposed bills which were certified urgent, such as the conversion plan of the U.S. military bases in the Philippines, the new tax system, and consumer protection.

Meanwhile, it was reported that 17 senators have attended the opening of the special session which was headed by Senator Neptali Gonzales. Here is JoJo Ismael for the details:

[Begin Ismael recording] Senator Salonga, along with a majority of his supporters, was not present in the special Senate session. Out of the eight Salonga allies, only three have attended the session: Senators Sotero Laurel, Rene Saguisag, and Santanina Rasul. Earlier, a majority of the senators agreed that Senator Salonga be allowed to lead the special session but others refused to let Salonga lead the session.

After the last session on 12 December, Senator Alberto Romulo, the new Senate majority leader, requested passing their resolution for Salonga to step down as Senate president. [end recording]

Gonzales, Salonga Meet Privately

HK1612100491 Hong Kong AFP in English 0950 GMT 16 Dec 91

[Text] Manila, Dec 16 (AFP)—The Philippine Senate held a special session here Monday to make official the ouster of presidential contender Jovito Salonga as its president and to act on pending revenue measures.

Salonga's rival, Neptali Gonzales, ascended to the senate president's chair and banged the gavel to declare the session open, then had the body pass a resolution for Salonga to step down as senate president.

The senate went into a Christmas recess under a cloud of controversy Friday after a majority of 14 senators signed a resolution to oust Salonga, the head of the Liberal Party, who refused to relinquish his seat until after regular sessions resumed January 13.

President Corazon Aquino has since asked the senate to hold a special session for this week to take up half a dozen proposed revenue measures she says her government needs.

Salonga himself stayed off the senate floor Monday, but his allies took part in the session and he met behind closed doors with Gonzales, who declared a brief recess on the floor.

Gonzales told reporters he was confident the business of the special session could be finished by Thursday or Friday.

Salonga Agrees To Step Down

HK1312125591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 1200 GMT 13 Dec

[Text] Senator Salonga agreed to step down as Senate president after a serious talk with Senator Neptali Gonzales. The latter was appointed to be the new Senate president by 14 senators.

Economic Bills To Be Tackled

HK1612051691 Manila PHILIPPINES NEWSDAY in English 16 Dec 91 p 3

[By Dionisio Tubianosa]

[Text] Should Congress fail to pass the bill providing for the creation of the Land Base Conversion Authority during its special session this week, the government will be forced to tap the resources of its line agencies to take over the conversion program for Clark Air Base, according to Executive Secretary Franklin Drilon.

In another development, Olongapo City Mayor Richard Gordon warned anew of the security implications of a withdrawal of U.S. military facilities and personnel from the country.

Drilon told Malacanang reporters over the weekend that the government had in one instance already taken the option of tapping one of its line agencies—the Department of Tourism—to take over the development of Camp John Hay in Baguio City, which was turned over by the U.S. government last July 3, 1991.

"In case the bill will not be passed, then we will be designating lead agencies in the development of Clark, so we are looking at the Department of Trade and Industry (DTI) and the Department of National Defense (DND)," Drilon said, adding that the main problem is funding.

"This is supposed to be contained in the bill on the Land Base Conversion Authority," he added.

Drilon explained that no-passage [as published] of the bill would force the government to depend on the budgets of the agencies. "We have no other sources," he added.

The DTI and the DND would be tapped, Drilon said, the moment "we see no hope" for the bill's passage within the week. He also expressed concern over the very limited budgets of the two departments under the newly approved 1992 General Appropriations Act.

Mrs. Aquino last Friday issued Proclamation No. 845 calling Congress to a five-day special session starting today to consider administration bills, the bulk of which consists of new revenue measures intended as part of an economic package to boost national government income.

Aside from the bill establishing the Land Base Conversion Authority, Malacanang also enumerated the following measures for Congress' for urgent considerations: [as published]

—the bill extending the life of the Asset Privatization Trust (APT) and the Committee on Privatization (COP);
—The bill on the refinements of the value added tax (VAT);
—The bill providing for consumer protection;
—the bill restructuring the transfer taxes;
—the bill providing for a final tax on compensation income; and
—the bill on the large taxpayers' unit in the Bureau of Internal Revenue (BIR) and other necessary measures the Congress may, in its judgment, consider vital to economic recovery and rehabilitation of calamity-stricken areas in Luzon and the Visayas.

Meanwhile, Gordon, speaking before a multisectoral audience in Davao City over the weekend, underlined the need for the continued stay of U.S. forces in the Philippines, saying even though the threat from the Soviet Union had almost disappeared with the end of the Cold War, the small countries of Southeast Asia still needed a protective umbrealla because there were still continuing threats to regional security and stability.

He also mentioned possible flashpoints in Asia, such as the nuclear threat of North Korea agaist its southern counterpart, as well as the potential multi-nation conflict over the Spratly islands in the South China Sea.

At the same time, Gordon stressed that the 12 senators, who decided the fate of the U.S. military installations "without listening to the majority of the Filipino people, would have to bear the consequences of their act.

He said the latest poll surveys showed that the senators had slipped considerably in their popularity ratings. According to the Olongapo mayor, this could be an indication on how they would fare in their reelection bid.

Gordon lauded Davaoenos for their awareness of the dire implications of an early bases removal, saying the people should still avail themselves of other options such as the signature campaign in various parts of the country aimed at voicing the true sentiments of Filipinos, most of whom he said were for the retention of the U.S. military facilities.

Various groups in Davao, Cebu, Bataan and Pampanga, he said, were currently gathering signatures in support of a call for a national reevaluation of the RP [Republic of the Philippines]-U.S. treaty.

Aquino Talks of Tax, Development Measures

HK1312124991 Quezon City Radyo ng Bayan in Tagalog 0251 GMT 13 Dec 91

[Speech by President Corazon Aquino at the 28th meeting of the Philippine Economic Society held at the Manila Hotel, Manila—live, in English; monitored in progress]

[Text] ...investors may come in and out with their remittances, no longer requiring prior approval of the Central Bank. By June 1992, all the subsequent steps shall be prudently taken to complete the removal of control [break in transmission] ...further softening of interest rates. A regime of a more aggressively competitive exchange rate which is within reach. We are on our way to an export-led growth.

For the continued critical expansion of our revenue base, we are pushing for at least three tax reforms measures. We are endeavoring to expand the VAT introduced in January 1988. The simplified net income tax system or SNITS has passed second reading, and from our latest report it has also passed third reading and is now in the conference committee.

A program for administrative improvements in the Bureau of Internal Revenue and the Bureau of Customs is ready for implementation. This includes introducing a larger taxpayers' unit. We are leaving no stone unturned in our efforts to raise our revenue collection efficiency. In fact, the tax effort ratio has improved from 10.8 percent in 1985 to 14.3 percent this year.

The revenues not only cover current expenditures of government but also provides the peso counterpart fund essential for our public investment program. Already we see signs that our government's revenues have risen even faster than our GDP from 12 percent in 1985 to 17 percent this year.

While government spending has risen, this has not been as fast as our revenues. We aim for pump-prime economic growth, but one responsible enough to curb the public sector deficit.

Let me make myself clear. We do not claim that we have completed the reform the economy needs for its total... [break in transmission]. We need to face up to the problem of the growing deficit of the Central Bank [CB]. Its deficit has tied the hands of our central monetary authority in the pursuit of a profit [as heard] monetary and exchange rate policy. We shall resolve this fundamental issue with decisiveness very soon. Already the CB net income has doubled its target this year.

We need to strengthen further mechanisms which prevent huge deficits from piling up due to subsidies, specially those subsidies necessitated by inflexible pricing of oil products and electricity.

As we approached the last stages of implementing our decentralization program and shift resources to local government units, we approved the implementing guidelines for area development projects. We introduced area champions where one area manager will manage the local development push in a vulnerable community, becoming both provider and promoter; both facilitator of service delivery and consensus builder.

For medium- and long-term growth, we strive to give more economic meaning to the ideals of agrarian reform by actively pursuing our agro-industrial development area program. Already part of the answer is found in the revival of the cooperative. Loans for cooperatives both to purchase and manage harvest facilities and to finance other agriculture-related activities are reported to have 96 percent repayment rates, despite calamities and disasters.

It is precisely in the pacing and phasing of these reforms and initiatives that I see Filipino economists work more closely with others from different disciplines. In the evaluation of our development projects, we have included security and peace and order factors, as well as their environmental impact as criteria.

We envision the time when we shall be second to none among Third World countries in the effectiveness with which we carry out environmental improvement. We are not only multidisciplinary in approach but also multisectoral. More than ever before, we involve our people in the national decision-making process from planning to implementing to sharing in the benefits of development.

There is so much goodwill among our local communities, NGO's [non-governmental organizations], business associations, and civic groups. We have not stopped asking and listening to what they think of what we are doing, what more we should be doing, and how they can help. We act on feedback even more vigorously. Within a democracy where visible results are maybe slower in coming, the process of development becomes all the surer. In our democracy, there is only room for haste if its ensures the good shall not go to waste.

In 1992, we shall continue the flexible pragmatic thrust we took this year. We shall continue to restrain spending until revenues rise beyond our target.

In your presence, I am taking the lead in the march ahead and assuming full responsibility. Democracy with development requires fiscal discipline, and this government through my leadership guarantees it. I challenge you, the Filipino economists, to continue to be our partners, my partners in this task. As economist of our people for our people. Thank you and good morning.

Military Plans To Arrest Corrupt Officials

HK1612120291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 16 Dec 91

[Text] Senate Minority Floor Leader Juan Ponce Enrile warned of a possible mass arrest by the military of corrupt government officials. Here is Restie de Quiros, DZRH Unit 8 for the details:

[Begin De Quiros recording] Senator Ponce Enrile warned that members of the military will make a mass arrest of corrupt government officials who are currently being monitored by the intelligence community. During his speech in front of 2,000 new members of the Nationalista Party in Tuguegarao, Cagayan, he warned that the next president might be a soldier if the 1992 election is not clean, honest, and orderly.

The senator made this revelation amid reports of an Armed Forces of the Philippines plan to rise up against the government for failure to suppress irregularities and restore peace and order in the country. Enrile stated that he is saying this not because he is afraid but only to remind them that the 1992 election is a crucial election because the leftists and the military are closely watching the politicians to see if they are capable of serving the Filipino people. According to Enrile, the military are currently gathering evidence against these corrupt government officials. It is not a remote idea if one of these days they will suddenly be arrested if they do not change. Also according to Enrile, the military knows who is involved in illegal gambling, illegal logging, and other vices. [end recording]

NPA Vows To Punish Cheating Politicians in Polls

HK1612014891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Dec 91

[Text] The communist rebels will punish any candidates and their armed supporters who cheat or sow terror during the national and local elections in May. The warning was issued by the New People's Army [NPA] Lucio de Guzman Command in a press statement. The group stressed that it will closely monitor all areas which are under its control and influence to ensure that the Filipino people's wishes prevail and their rights are respected. Any candidate wishing to campaign in NPA-controlled areas is required to get a permit from the rebels before they can campaign. At the same time, the Communist Party of the Philippines-NPA-National Democratic Front called on the nation to choose wisely the candidates they want to elect and be vigilant in guarding their votes. The Lucio de Guzman Command asserted they will punish any politician who cheats in the May 1992 elections.

Bicol Rebels Accept Christmas, New Year Truce

HK1612051191 Manila PHILIPPINE DAILY INQUIRER in English 16 Dec 91 p 28

[By Danny Calleja]

[Text] Legaspi City—The National Democratic Front [NDF] in Bicol has accepted the 48-hour ceasefire offered by the government for the celebrations of Christmas and New Year.

Charlie de Luna, NDF-Bicol chief said the New People's Army in the region will not conduct any guerilla operation during the period set by President Aquino.

In a statement sent to media recently, de Luna said they will also welcome a ceasefire of longer duration than the 48-hour being offered by the President. Malacanang normally declares ceasefires from midnight of December 24 to midnight of the 25th and from midnight of December 31 to midnight of January 1.

Senator Victor Ziga earlier issued a statement supporting the declaration of a longer ceasefire period in the region.

Military Tightens Camp Aguinaldo Security

HK1612012891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 15 Dec 91

[Text] General Lisandro Abadia, the Armed Forces chief of staff, asserted that the 1992 presidential elections will proceed despite the reported Operation Plan No Election [Oplan Noel]. Abadia said the Operation Noel is propaganda by government enemies to discredit the Aquino Government. The Oplan Noel has two versions: One will allegedly be led by rebel soldiers as a destabilization move against the government, while the other will reportedly be led by a political group which will change the presidential form of government to a parliamentary system.

Despite Abadia's assurance that the 1992 polls will push through, security around Camp Aguinaldo has been tightened following reports that some sectors in the military are set to attack the camp. Abadia stressed that the Armed Forces is prepared to thwart any group from attempting to block holding next year's election.

Four Arrested in Rescue Plot

HK1412034891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Dec 91

[Text] Three former soldiers and a civilian suspected of plotting to rescue former Philippine Constabulary [PC] Colonel Billy Bibit from prison were arrested by Philippine National Police-Criminal Investigation Service [PNP-CIS] men in a raid at White Plains, Quezon City yesterday morning.

The house that was raided was owned by Rommel Pineda, Bibit's personal driver. Pineda is now undergoing investigation at Camp Crame.

Aside from Pineda, those arrested were former Corporal Rodolfo Fuentes and a civilian friend of Bibit identified only as Tupe.

The PNP-CIS refused to confirm this news; however, this was confirmed by Bibit himself.

It was learned that authorities tightened the security around Camp Aguinaldo in light of the rescue plot which, according to Bibit, was only known to the military.

Bulacan Communist Leader Killed in Military Raid

HK1412081791 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 14 Dec 91

[By Ronald Estella]

[Text] Danilo Cabantug, considered to be the number three political cadre of the Communist Party of the Philippines-New People's Army [CPP-NPA] in Bulacan Province, is now dead. Cabantug was also known as Comrade Pidang, Comrade Richard, and Comrade Pepe, and resided in Barangay San Pascual, Hagonoy, Bulacan. Cabantug was killed by the men of the National Capital Region Defense Command [NCRDC] after they raided the rebel leader's safe house.

In the military report, it was learned that Cabantug was acting secretary of the CPP-NPA Collective Area Committee Party operating in the towns of Hagonoy, Ubando, Paumbong, and Malolos in the Bulacan. After killing Cabantug, the NCRDC men confiscated several firearms and subversive documents.

Rebels Accuse Government of Violating Accord

HK1612060991 Manila PHILIPPINES NEWSDAY in English 14 Dec 91 pp 1, 2

[By Minnie Candelina]

[Text] Former priest and rebel leader Conrado Balweg yesterday accused the Aquino government of deliberately ignoring and violating the provisions of the law creating the Cordillera Administrative Region (CAR).

Balweg scored the government for its "anti-autonomous" acts and for its "non-cooperation" in helping the people of Cordillera establish a genuine autonomous region.

Balweg cited the recent appointments made by President Aquino to the Cordillera Executive Board (CEB), which he said, violated Section 10 of Executive Order [EO] No. 220, the law creating the administrative region of Cordillera.

According to the law, the President shall appoint 29 regular members to the CEB: the mayor of Baguio City, where the seat of the CAR is; the five governors of the five provinces of the Cordilleras; six representatives from the Cordillera Bodong Administration (CBA); 12

representatives from the different ethnolinguistic divisions of the Cordilleras; and five representatives from non-governmental organizations (NGOs).

At least three of Aquino's appointments out of the 12 representatives of the different ethnolinguistic divisions did not satisfy the qualifications for representation.

Julia Senga was appointed to represent the Tinguians of Abra but someone has already been representing the Tinguians Maximo Garming was appointed to represent the Tinglayan tribe. [as published] EO No. 220 stipulates ethnolinguistic groups and not tribes. Another appointee was said to be representing a group where he does not really belong.

In 1990, after the plebiscite on the Organic Act which was supposed to create the autonomous region, the Commission on Elections (Comelec) ruled "with the imprimatur of Malacanang" that one province (Ifugao) constituted one region and might therefore become the CAR. Ifugao was the only province which voted in favor of the Organic Act. Immediately, Balweg said, Malacanang issued Administrative Order No. 160 creating the Regional Development Council and abolished the CAR.

However, in December 1990 the Supreme Court upheld the constitutionality of EO No. 220, saying it never ceased to exist, thereby paving the way for the reconstituion of the CAR.

The recent administrative order of Bureau of Internal Revenue Commissioner Jose Ong abolishing the Revenue-Region-CAR was also a Malacanang violation, Balweg said.

"Commissioner Ong is clearly ignorant of the decision of the Supreme Court that Ifugao does not compromise the Autonomous Region of the Cordilleras, thereby upholding the constituionality of EO No 22," Balweg said.

In fact, last October, Executive Secretary Franklin Drilon issued an administrative order to reconstitute the CEB and other bodies to implement the CAR structure. "Clearly, this shows the lack of coordination within the government, there is no flow of authority. Hindi mo alam kung sino ang presidente (You don't know who the president is)," Balweg said.

"It seems they (the government) signed the law without really understanding it," he added.

Balweg explained the government's inaction to provide a comprehensive development in the Cordillera and its "attempts to destroy the unity of the region" by saying "the government is really against autonomy, they are just paying lip-service by saying they wanted it (autonomy)." He also accused the government of "taking the issue of autonomy personally." "This is a Balweg issue for them. They are regretting the fact that at one point, they committed to respect the rights of the people," he said.

Balweg also said the Cordillera region had been receiving nothing from the national government, and the peace and order situation had worsened. "Mas maraming NPA ngayon, mas maraming namamatay sa amin (There are more NPAs now, there are more deaths among us and the government doesn't even care)," he said.

Thailand

Chatchai Admits Base Used for Gulf War Staging

BK1612010791 Bangkok BANGKOK POST in English 16 Dec p 1

[Text] Former prime minister Chatchai Chunhawan yesterday for the first time admitted his government had allowed the United States to use U-tapao naval air base as a staging area for the Gulf war.

He also criticised Thailand's current administration, saying it should have used this as a negotiating lever to get Saudi Arabia to reopen its market to Thai labourers and exports.

Gen Chatchai told local businessmen and supporters in Nakhon Ratchasima last night that the present Government has missed a "golden opportunity" to win back the Thai labour and export market lost after the slaying of Saudi diplomats in Thailand in 1988 and 1989 and the Saudi jewellery theft controversy.

Gen Chatchai's government, before it was overthrown by the February 23 coup, repeatedly denied it had allowed US forces to use the air base for Gulf War operations.

Now that the war is over, the country's role in helping bring peace to the Middle East can be told, he said, adding his administration made a special decision to allow the US forces to use U-tapao.

The base, used by the US during the Vietnam War for bombing missions over Laos and Vietnam, lies between US military bases in the Philippines and the Persian Gulf.

Gen Chatchai said his administration's decision to allow the Americans to use the base helped the allied forces end the Gulf War two months sooner than it would otherwise have taken.

"Instead of capitalising on this event to negotiate with Saudi Arabia and Kuwait to take back Thai workers and to reopen their market to Thai exports, the Government has allowed the problem to drag on."

The Government should not have hesitated to negotiate with Saudi Arabia because of the slayings and the jewellery theft.

Prime Minister on Political Future, Patent Issue

BK1512134791 Bangkok Radio Thailand Network in Thai 1200 GMT 15 Dec 91

[Text] Speaking with Thai people working and studying in New York, Prime Minister Anan Panyarachun said his life has changed considerably in the past 10 months, adding that it was a political accident that brought him the prime minister post. However, he gave assurances that he is still a person of principle as before and that he has not changed. Since becoming the prime minister, he said he would continue to do his best by emphasizing national interests. The prime minister said the incident on 23 February may please or displease some people, but since it has already occurred it is the duty of every Thai citizen to restore democracy.

The prime minister said he believes the general elections will be held in the third week of March but he does not think anyone can predict which party will win how many votes or who will become the next prime minister. He reiterated that he would not become a politician and that politics does not interest him. He became involved in politics because of the circumstances and, therefore, in the future he said he will keep his distance from politics because it is his character to live a simple and quiet life, which he cannot do as prime minister.

The prime minister said Thailand could be removed from being a target of U.S. trade retaliation measures under Article 301, particularly on the patent issue because Thailand has already adopted the Patent Act. He assured that computer hardware will not be included in the Patent Act. In March the United States will consider the intellectual property issue and decide whether to impose retaliatory trade measures against Thailand. He said the U.S. Government will inform Thailand between 21-23 December whether it is satisfied with Thailand's actions. However, he is relatively confident that Thailand will be able to avoid retaliation arising from the patent issue. He said he will not consider the intellectual property issue until March because the United States wants to see what Thailand has done to date on this issue. He said Thailand did not act on this issue to please the United States, but it made amendments in order to modernize the obsolete Thai law, which should please the United States to a certain extent.

Foreign Ministry Reports on Thai Aid to Cambodia

BK1512045891 Bangkok Radio Thailand Network in Thai 0000 GMT 15 Dec 91

[Text] At present, various international organizations and countries have paid attention to participation in helping reconstruct and rehabilitate Cambodia to enable the country to enjoy peace and prosperity like other countries.

Thailand, as a neighboring country, also has set up projects to help Cambodia. On this issue, the Foreign Ministry announced that the Thai Government has developed its role in assisting Cambodia in various wasys, such as providing facilities for UN officials assigned to perform their duties in Cambodia, helping rehabilitate Cambodia, coordination for repatriating more than 300,000 displaced Cambodians from Thailand to their motherland, and aid in the revival and development of the economy of Cambodia.

Moreover, Thailand also has a project to help Cambodia repair the Poipet-Sisophon section of Route 5 with a budget of 70 million baht. The road will measure about 48 kilometers in length. It is a main road on the western side of Cambodia and serves as a goods transportation line leading to a trading point along the Thai-Cambodia border.

A team of Thai technicians has already started to conduct a survey of the route for the construction project.

Security Chief Stresses Cambodia's 'Repair Work'

BK1512005291 Bangkok BANGKOK POST in English 15 Dec 91 p 3

[Text] National Security Council [NSC] secretary-general Charan Kunlawanit yesterday called on countries wishing for peace and stability in Cambodia to help participate in its reconstruction.

The NSC chief said Thailand had participated in efforts to solve the Cambodian problem and would do its best to help in reconstucting its war-torn neighbour.

Thailand will play a major role in repatriating displaced Cambodians and has sent personnel to survey repairs needed to a 48-kilometre road between Poipet, opposite Aranyaprathet, and Sisophon.

The repair work is expected to begin early next year, probably by Thai engineering corps, and last about three months to beat the onset of the rainy season.

But Gen Charan said the work was heavily dependent on the unity and reconciliation of members of Cambodia's Supreme National Council, which groups, together leaders of that country's four previously warring factions.

Under an agreement with the United Nations High Commission for Refugees [UNHCR], there will be four repatriation camps in Thailand and six staging areas in Cambodia. The latter include those at Sisophon, Siem Reap, Battambang and Phnom Penh.

The UNHCR will provide those repatriated with the necessities to start a new life.

About 10,000 displaced people are scheduled to return home each week so that the entire repatriation programme will take about nine months.

Gen Charan said Japan, with its economic power, would play a leading role in the reconstruction of Cambodia.

Turning to problems affecting other neighbouring countries, Gen Charan said it was Thai policy not to interfere in Burma's internal affairs.

He said Thai authorities believe Burma will be able to solve its own problems.

The security chief said the planned visit by Laotian Deputy Defence Minister Pol Lt-Gen Choumaly Sayasone from December 23-26 to sign an agreement on border cooperation with Superme Commander Gen Suchinda Khraprayun signified the closer ties and cooperation between the two countries.

He said Thailand was generally enjoying better relations with its neighbours.

National Security Official Reaffirms Burma Policy

BK1612115591 Bangkok NAEO NA in Thai 16 Dec 91 p 2

[Text] Khachatphai Burutphat, deputy secretary general of the National Security Council [NSC], has said there is no change in Thailand's relations with Burma. Thailand will not interfere in the internal affairs of Burma, even though several Western countries have tried to press and isolate Burma.

The deputy secretary general of the NSC believes that Thailand's policy will enable it to have closer relations with Burma. The situation would worsen if we followed the needs of the Western countries, and there could be countermeasures, which would cause us to be unable to follow up on such efforts.

"Although each country may have a different security policy, other ASEAN countries have the same policy as Thailand in this regard. So, there is no good reason to put pressure on Burma," the deputy secretary general of the NSC said.

Khachatphai said Thailand has asked the United Nations High Commissioner for Refugees, which is taking care of the 2,500 Burmese students in Thailand, to look after those students in order to prevent them from carrying out political activities as in the past.

The deputy secretary general of the NSC said the center for Burmese students, which is being built in Rat Buri Province, is not for controlling the students. We only want to provide shelter for them. Now, the Interior Ministry is calling on these students to report themselves.

Burma To Cooperate on Joint Logging Venture

BK1512092391 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Dec 91

[Text] Colonel M.R. Adunyadet Chakkraphan, director of the Forest Industry Organization, or FIO, disclosed that cooperation in logging in Burma involves both technological and business cooperation.

He said that on 10 December the Burmese authorities replied to the FIO saying they were willing to cooperate with Thailand. The Burmese officials said it will be a longterm project which will not only cover logging but will also follow Thailand's example. That is, after felling trees, reforestation will be introduced and a forest-fostering community will be promoted in particular areas. The Burmese authorities are following the Thai example because they have seen good results from similar projects carried out there, Adunyadet elaborated.

Burma has proposed that a logging company should be established in the form of a joint venture in which Thailand holds 49 percent and Burma 51 percent of the shares. Of the 49-percent Thai share, the FIO will not hold the majority portion but will allow the Thai private sector or other industrial sectors to join in—such as the Thai Plywood Co., Ltd. and the Parque Industry. He said that Thailand's total consumption of timber has reached a high of 3 million cubic meters per annum, and that it has to import a quantity of timber from other countries, such as Malaysia.

The FIO chief said the logging joint venture with Burma is aimed at bringing most of the logging products to Thailand for sale.

Moreover, the FIO also has plans to carry out logging operations in other neighboring countries, such as Cambodia, Vietnam, and Laos. The organization is in the process of requesting the opening of a border point in Aranyaprathet District, Prachin Buri Province, the the FIO director concluded.

Embassy in Moscow Prepares To Shelter Thais

BK1312134091 Bangkok Army Television Channel 5 in Thai 1230 GMT 13 Dec 91

[Text] Due to the current situation in the Soviet Union following the breaking up of republics, Sakthip Krairoek, director general of the Foreign Ministry Information Department, said that the Foreign Ministry had been coordinating with the Thai Embassy in the Soviet Union to prepare for any eventuality as the ongoing changes could trigger off economic repercussions or food shortage.

[Begin Sakthip recording] ...for one month. Besides, the embassy has been instructed to store car fuel in reservation and to make preparations so that the embassy compound can shelter Thai workers or Thai nationals who might need protection. These people would be allowed to take temporary shelter at the embassy. Officials will see to it that we have clothing and food supplies for them. [end recording]

Anan, Ministry Discuss Election Commission Plans

BK1512004591 Bangkok BANGKOK POST in English 15 Dec 91 p 1

[Text] Prime Minister Anan Panyarachun says he has reached a good understanding with the Interior Ministry on plans to set up an election watchdog commission.

"There is nothing between me and the Interior Ministry as we have talked over this matter," he said in New York when asked whether his proposal to set up the election watchdog commission was acceptable to ministry officials.

"Interior Minister Itsaraphong Nunphakdi supports my view, but newspapers have tried to make us fight.

"The Interior Ministry is responsible for supervising the election, but the commission I will set up will see to it that the election is held with justice and neutrality.

"Since the commission is intended for this election only, no law is required for its existence," he said.

Mr Anan said he would establish the commission on his return to Thailand in consultation with his three deputy prime ministers, who have been approaching people suitable to join the commission.

Mr Anan said the commission members would be outsiders who were neutral and had no political party affiliations.

The Premier said the 360 Members of Parliament could unite to support amendments to the Constitution if they saw fit.

"If the people elect good and capable representatives who are not corrupt, the flowers of democracy will bloom.

"If the people are still like 2,000-year-old turtles and do not know how to elect good people, none is to blame but themselves.

"Therefore, it is necessary to first promote a democratic spirit among the people, newspapers, government officials and politicians," Mr Anan said.

Proposed Election Watchdog Said 'Temporary Body'

BK1412013391 Bangkok BANGKOK POST in English 14 Dec 91 p 3

[Excerpt] The proposed watchdog commission will be a temporary body to monitor only the next general election, but it can serve as a model to develop a permanent mechanism if it helps prevent election fraud, according to Deputy Prime Minister Michai Ruchupan.

He said yesterday that unlike his proposal for a constitution committee, the watchdog panel will have no power to follow up the work of politicians after they are elected.

The Government is still considering the scope of responsibility and powers of the watchdog committee and is seeking the views of several knowledgeable people before coming out with exact information.

Mr Michai declined to say whether the committee will have legal status as this is not stipulated under the new election bill. He noted, however, that laws exist which empower authorities to take legal action against election law violators.

"Sometimes we may not be able to have everything perfect when we start doing something. But we can pave the way for those following us to build a new mechanism by our improving of what is already introduced," Mr Michai said.

He said that the chairman of the watchdog body should not be a civil servant and it should not be staffed with any representatives of political parties.

The body should be set up on a national level and sub-committees formed to carry out the work. Its duty would be terminated when it submits a summary report to the Interior Ministry after the election so that whatever shortcomings are found in the poll can be remedied before the next election.

Mr Michai said the Prime Minister is empowered to set up such a committee, which would not interfere with the duties of the Interior Ministry to administer the election. [passage omitted]

Bills on Electoral, Party Acts Pass 1st Reading

BK1412012791 Bangkok BANGKOK POST in English 14 Dec 91 pp 1, 3

[Text] Bills to amend the Electoral Act and the Political Party Act passed their first reading in the National Legislative Assembly [NLA] yesterday in a move to prepare the country for a general election.

The two amendments, sponsored as urgent bills by the Cabinet, are to impose stringent requirements on political parties. If the bills are passed, parties would for the first time be required every four months to state their assets. If a party is dissolved, its assets would go to a public charity or to the state.

All parties contesting a general election would also be required to field candidates for at least one-third, or 120, of the total 360 seats.

A candidate's maximum campaign expenditure would be raised from 350,000 baht to 700,000 baht.

The political party amendment bill stipulates that the leader or administrator of a political party must submit accounts of the party's assets and liabilities for audit every four months by the political party registrar.

If a political party is dissolved for any reason other than a merger with another party, its account would be audited by the Office of the Auditor-General. Any assets left after deductions for the party's expenses and liabilities would be transferred to a public charity chosen by the party.

If the party has not named a charity recipient, its assets would go to the state.

The bill also requires each party to compile a list of its members to be submitted by the party leader to the political registrar every six months. A political party must be dissolved if the total number of its members is less than 5,000; or when, in five or more provinces of eachs region, it has fewer than 50 members for a continuous period of six months.

A party must field at least 120 candidates in a general election or face dissolution. It would also be dissolved if it failed to win any seats in a general election.

The amended electoral act stipulates that law enforcement officers must within 30 days complete investigation of alleged electoral irregularities, with the period extendable for two 15-day periods.

It also empowers a provincial governor to transfer officials in his province to temporary assignments at the provincial town hall, or to appoint a committee to investigate any alleged act of favouritism or bias towards a particular candidate or political party.

The amendment specifies that a political party contesting a given constituency must field candidates for all seats available in that constituency.

The bill provides for a place on the ballot for voters to register their wish to abstain from voting for any of the candidates contesting their constituencies. In the past, voters were not given this choice.

The bill also raises each candidate's registration fee from 5,000 to 10,000 baht.

After the two bills passed their first reading, the NLA set up a special nine-member committee to scrutinise the bills within three days before the bills are returned for their second and third reading.

The scrutiny committee comprises Osot Kosin, Somphop Hotrakit, Charoenchit na Songkhla, Anan Anantakun, Komen Patraphirom, Nanthaka Suprapatanan, Phichai Wassanasong, Prasoet Nasakun and Sansoen Kraichitti.

Banned Political Show To Resume Broadcasting

BK1512040291 Bangkok THE NATION in English 15 Dec 91 p A2

[By Mukdawan Sakbun]

[Text] The popular political talk show, Mong Tang Mum, will return to the air tonight on channel 11 after a ban on the programme had been widely criticized by the public.

Tonight's programme at about 8:30 p.m. will include a political discussion about the constitution and the general election by former House speakers—Samakkhi Tham Party member Boontheng Thongsawasdi, Bangkok Bank executive Prasit Kanchanawat, Democrat Party leader Chuan Leekpai and Chat Thai Party member Panja Kesornthong.

The programme discussion, recorded yesterday, was led by anchorman Chirmsak Pinthong, a Thammasat University economics lecturer.

All guest speakers, except Boontheng, express optimism that the future amendment of the Constitution is still possible.

Chuan said 316 votes are necessary to amend the Constitution and most political party leaders support the plan.

In reference to reports that the National Peacekeeping Council leaders may urge him to take the post of prime minister, Chuan said that is unlikely.

"How many seats would the Democrat Party win when the Samakkhi Tham Party expects to win over 100?" he asked.

Panja said it would be possible to seek constitutional amendments, although the move to amend the charter may not be able to be carried out immediately following the general election.

Prasit said: "Nothing is impossible. We should wait and see the result of the general election first."

Boontheng, however, said it is "hopeless" to seek constitutional amendments.

Chawalit Seeks To Reduce 'Antipathy' to NPKC

BK1512035791 Bangkok THE NATION in English 15 Dec 91 p A1, A2

[Text] New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut yesterday sought to tone down his antipathy to the National Peacekeeping Council [NPKC] and vowed the NAP would give priority to the people's standard of living over commitments to constitutional amendments.

Speaking to reporters outside the Tawana Ramada Hotel last night where he was attending a social function, Chawalit opened up on a wide array of topics, including the belief that the generals were returning to the barracks.

The change of his tone on the NPKC and the softening of his stand on the constitutional amendment just after a week are seen as an indication that he is now seeking to improve his relations with the generals against whom he had launched a series of broadsides to pressure them into "returning the power to the people".

Chawalit said his party would honour the pledge it signed with other like-minded parties to fight for a democratic constitution, but top priority after the polls would be given to addressing the problem of raising the country's standard of living.

"After that, we would turn our attention to the issue concerning the Constitution. Even if we became part of the next government, we would not pledge to seek immediate amendments to the Constitution, after all this is a matter for all concerned to say in advance that they would unite to make this move," he said.

Chawalit said that a hasty public commitment on such an issue could be "politically dangerous" because the political situation from now on would be "fragile". The political situation and the opportunities arising from it at that time would determine the course of the party's actions, he added.

He said that his party would not mind if the next prime minister was not a member of parliament.

"We won't mind, anybody is okay by us. Anybody can say he is ready for the job, but whether his goal would be attained or not would depend not only on his readiness and determination but also on other variables, such as international recognition and internal political relationship.

"The person to become prime minister must also be prepared to make a great deal of sacrifice and needs extensive support from friends," he said.

Chawalit also sought to allay fears voiced by National Peacekeeping Council Chairman Gen Sunthon Khongsomphong, who had earlier commented that the military junta could face acts of revenge by political parties.

"It is a characteristic of the Thai people to forgive and forget, and I am sure that a political vendetta would not take place after the election," he said.

The NAP leader dismissed speculation that former prime minister Gen Chatchai Chunhawan would stand together with his party to fight the NPKC.

During their recent meeting, Chawalit said, Chatchai did not make any statement along that line.

"And I don't think he has such an idea. He is a very senior politician and he should not come under suspicion," he added.

He also said he believed that Chatchai considered the option of running in government," he said.

During the ceremony at the Thao Suranari Monument, Chatchai was so moved by a "welcome-home" speech by Bowon Siwilalak who organized the event that tears brimmed his eyes. The event was participated in by former Khorat MPs from all parties and the provincial governor.

After his motorcycle ride through the provincial seat, Chatchai and his wife rode a trishaw in a parade formed by musical bands of three provincial schools from the monument to the provincial stadium where he announed the handover of his top party post to ACM [Air Cheif Marshall] Sombun, who was also present at the event.

Chatchai Welcomed on Return to 'Home Base'

BK1512005891 Bangkok BANGKOK POST in English 15 Dec 91 p 1, 3

[Text] Former Prime Minister Chatchai Chunhawan received a rousing welcome from tends of thousands of supporter when he returned to his political home base of Nakhon Ratchasima yesterday, boosting speculation he may stand in the next general election.

Gen Chatchai is a "symbol of democracy," his son Kraisak Chunhawan told reporters, adding the big turnout shows the public's strong desire for democracy, which was destroyed by the February 23 coup.

"This is a welcome for the former prime minister—who was forced to step down at gunpoint—at a time when those who hold the guns are still in power," Mr Kraisak said.

Chat Thai Party Deputy Leader Sano Thianthong said he is "100 percent confident" that Gen Chatchai will run for election.

"I know him well. Gen Chatchai apparently made a decision to (stand) the moment his assets were ordered seized," said the former deputy interior minister and MP for Prachin Buri.

About 10,000 people welcomed Gen Chatchai and his encourage of 20 former MPs and party member on his arrival at the Thao Suranari Statue in central Nakhon Ratchasima where he was immediately presented with a 225cc Honda "Rebel" motorcycle by his supporters.

The motorcycle is a gift to replace one seized with his other assets by the Assets Examination Committee appointed by the National Peacekeeping Council which overthrew his government.

The former premeir drove the 115,000-baht motorbike, in a convoy of supporters, around the provincial town before arriving at the central sports stadium where another 20,000 people welcomed him with the traditional "bai si su khwan" ceremony.

In his speeches delivered at the Thao Suranari statue and at the spports stadium, Gen Chatchai apparently avoided touching on his political plans.

However, he told reporters he has yet to decide whether to run for election.

"I have to think it over and consult my associates. I have already fought (in politics) but I was overthrown in a coup. What will be the guarantee that this will not happen again?"

Gen Chatchai, who served five terms as an MP for Nakhon Ratchasima, said that before making his decision he will have to see if the "present powers-that-be" will really be democratic.

"There is potential for them to be democratic but I fear they may stray off their course."

He insisted that the new Constitution needs to be amended to make it more democratic but this will have to be done after the election.

Gen Chatchai said that if Chat Thai decides to join any campaign to change the Constitution he is no longer in a position to help as he has stepped down as party leader.

"I am now just freelance. So I have to sit and watch. I criticise those who do bad things and will try to help those who support democracy," he said.

Mr Kraisak said that Gen Chatchai will have to think more seriously about his political future after receiving such a big welcome, even though he wants his father, who is already 72, to retire from politics.

"He was really moved by the welcome," Mr Kraisak said.

Those accompanying Gen Chatchai yesterday included former deputy commerce minister Chucheep Harnsawat, ex-industry deputy minister Saman Phummakanchana and Chat Thai leader ACM [Air Chief Marshal] Sombun Rahong.

Former Puang Chon Chao Thai [PCCT] Party MP for Nakhon Ratchasima Suwat Liptaphanlop was also at the welcoming ceremony.

ACM Sombun said he still cannot say if Gen Chatchai will return to politics. He denied that he has prepared his resignation to pave way for Gen Chatchai's return.

He also denied that Chat Thai is discussing a possible merger with the Rassadon and PCCT parties. However, he said such a merger would be beneficial because it would help reduce the number of parties and smooth administration if Chat Thai forms the next government.

ACM Sombun said he is planning to contest the general election in Samut Prakan where major service projects are planned, such as the Nong Ngu Hao Airport.

Mr Sano said Gen Chatchai can rejoin Chat Thai as an ordinary member but his position can be up-graded when the party holds a general assembly 90 days after the election.

He confirmed that former deputy interior minister Watthana Atsawahem of the Ratsadon Party will join Chat Thai and a formal announcement of this is soon expected from the politician.

Mr Sano predicts Chat Thai will emerge politically strong from the election because it has been able to maintain its political base in the provinces and its membership has remained largely intact since the coup.

Commerce Minister Urges Export Diversification

BK1412015191 Bangkok BANGKOK POST in English 14 Dec 91 p 13

[Text] Thailand has relied on just 10 items for its export performance, making it vulnerable to changes in the global trading situation, Commerce Minister Amaret Sila-on said yesterday.

Speaking on "Export Targets and Trade Balance in 1992" in Phatthaya, Mr Amaret said that at present exports of garments, jewellery, computer components, tapioca products, rice, shoes, rubber and processed seafood accounted for about 48 per cent of the total export value.

"So the change in prices of any of these items would adversely affect the country's export performance," Mr Amaret said.

He said the Government would have to encourage the private sector to diversify its exports.

Besides limited exports, Thailand also faces protectionism by certain major export-market countries, such as the United States which has imposed Section 301 of the Trade Act, and some other developed countries which have subsidised their exporters.

Mr Amaret also said Thailand faced higher competition from many socialist countries which have changed to capitalism, such as Vietnam, as these countries had the advantage of lower production costs.

Thailand also has few export markets.

"The value of our exports to the US, European Community and Japan accounts for 65 per cent of the total exports. So any change in import or economic policies of these countries will inevitably affect Thailand's exports," he said.

Thailand would have to diversify its export items and export markets, and at the same time develop new products for new export markets, he said.

"High-technology products, such as telecommunications equipment, computers, electrical appliances and electronic components will be products with high potential in the future," he said.

In exploring new markets, Mr Amaret said Thailand would have to seek cooperation from potential market countries.

"Cooperation at the private trade-association level is necessary. Joint investment with firms of these countries will also become the base for further expansion of the export market for the country," he said.

Mr Amaret said the region with high potential to develop as a new market was Latin America, particularly Mexico.

The private sector, he said, also would help reduce its own production costs and increase production efficiency.

"They will have to explore their own export markets. The seller's market is over and now it's the era of the buyer's market," he said.

Vietnam

Eighth National Assembly Session Continues

14 Dec Morning Session Reported

BK1412060591 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 14 Dec 91

[Text] Today is the fifth working day of the 10th session of the Eighth National Assembly. This morning, the National Assembly deputies held group discussions on the 1991 national socioeconomic situation and the tasks and targets for socioeconomic development for the five-year 1991-95 period and for 1992.

Regarding the 1991 socioeconomic situation, the National Assembly deputies concentrated their discussions on evaluating what has been done and what has not as well as the causes for the current socioeconomic situation.

As for the tasks and targets for socioeconomic development for the five-year 1991-95 period and for 1992, the National Assembly deputies concentrated on discussing the following main issues:

—Major policies and approaches for stabilizing financial and monetary activities, containing inflation, and harnessing the potential of various economic sectors.

—The structures for external economic relations and export-import activities.

—Measures to be taken to tackle the employment and wage issue.

—Renovating the state apparatus and improving the effectiveness of the state management in various aspects.

—A budget expenditure estimate.

This afternoon, the National Assembly deputies will continue to discuss the socioeconomic situation.

16 Dec Morning Session Reported

BK1612060791 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 16 Dec 91

[Text] Today, 16 December is the sixth working day of the 10th session of the Eighth National Assembly.

The National Assembly deputies held group discussions on the past situation regarding law enforcement, anticorruption, and antismuggling.

The matters which were focused on by the delegates were the present situation of law enforcement, law violations, corruption, and antismuggling; the implementation of National Assembly decisions; and the implementation of Decision 240 and Directive 278 of the Council of Ministers on anticorruption and antismuggling work in 1991. The delegates also discussed the main reasons which limit the effectiveness of the anticorruption and antismuggling work and discussed fundamental measures to overcome criminal activity to ensure practical results from the fight against corruption and smuggling.

In this afternoon's 1800 o'clock [1100 GMT] newscast, we will report details of the discussions.

This afternoon, the National Assembly will hold its session in the Conference Hall to hear reports from the Council of Ministers on the implementation of the Land and Housing Tax.

Communique No. 3 Issued

BK1312150491 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Dec 91

[Communique No. 3 of the Eighth National Assembly's Tenth Session]

[Text] On 13 December 1991, the National Assembly held a plenary meeting in the conference hall. Phung Van Tuu, vice chairman of the National Assembly directed the meeting.

In the morning, the National Assembly debated on the draft law on Vietnam's civil aviation with 31 deputies making statements focussing on the issues related to state control over civil aviation, the sponsorship and coordination of authorized state agencies' operations at the airports, foreign investment in Vietnam's civil aviation, and policies on the protection of Vietnam air line.

In the afternoon, the National Assembly debated the draft law on import-export taxes with 21 deputies making statements focusing on the issues concerning the necessity of passing a draft law on export-import taxes to be amended in this session; the authority to decide the tariff, tax rates on specific exports, cases of tax exemption, and time for tax payment.

On 14 December and the morning of 16 December 1991, the national assembly deputies will hold group discussions on socioeconomic issues and the state budget, and on the enforcement of the law against corruption and smuggling.

On the afternoon of 16 December, the National Assembly deputies will work in the Conference Hall.

Vo Van Kiet's 10 Dec Report to National Assembly

Parts I, II

BK1212135591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Dec 91

["Parts I and II" of the SRV Council of Ministers' report delivered by its Chairman Vo Van Kiet at the 10 December opening meeting of the Eighth National Assembly's Tenth Session—read by announcer]

[Text] I. An assessment of the new situation, capability, and opportunity.

Entering the year of 1991, we have anticipated some of the fierce challenges to the economy and have therefore foreseen some counter measures to enable the economy to cope with the newly emerging unfavorable factors without being upset by major disturbances and to maintain its steady advance. However, the real situation is more complex than was anticipated. Unfavorable weather has caused heavy damage to the winter-spring crops in the North with the loss of 1 million or more tonnes of grain. Serious flashfloods in the Mekong River delta and Son La and Lai Chau provinces and some other provinces in Central Vietnam, and particularly the prolonged flashflood in the Mekong River delta, have caused huge losses that never occurred in the past few decades, namely 300,000 tonnes of rice and many destroyed houses, bridges and roads.

The too rapid changes in the Soviet Union have caused economic agreements to lose their validity suddenly in addition to great difficulties and confusion in our export-import market. Despite these facts, the 1991 economic situation has not declined but continued to have some positive changes. The annual estimate shows that national income has increased by 2.4 percent over that of 1990; the volume of grain production has reached the 1990 level of 21.7 million tonnes; 1 million tonnes of rice have been exported; the rice prices remain stable; the industrial production volume has increased by 5.3 percent over that of last year including the 16 percent increase in central level industry along with considerable increases in many important products. Some of the products have become competitive. The difficulty of seeking consumers has been overcome and production can develop.

Although the relations with the Soviet Union market have decreased unexpectedly and a shift to new markets had to be made, the planned export quota have been fulfilled with $US1.8 billion to meet the requirements of importing the needed materials and goods, thus marking an outstanding step of progress in shifting the market direction and in balancing exports and imports. Direct foreign investments have increased more this year than in previous ones and relatively large projects besides oil projects have begun to appear.

We assert that along with success in firmly maintaining political stability, safeguarding the economy against major disturbances has been of great significance. It was the result of the renovation line adopted by the Sixth Party Congress which has been carried on in 1991 in the direction of shifting to the market mechanism to develop a step further the capacity of various economic sectors.

The new mechanism has exposed more clearly the weak installations and has paved way for the appearance of many economic units that have actively and creatively surmounted difficulties and run their business effectively. Leadership and operational control over various echelons and sectors has also progressed. Most noteworthy was the handling of major balances to regulate grain supply, shift the direction of foreign markets, and contain the issuance of money to cover budgetary expenditures. Nevertheless, in general, the socioeconomic situation is still growing complicated. Inflation remains high, the prices of gold and US dollars have continued to soar high for several months now and the smuggling of gold and US dollars across the border has not been checked. Industrial production has not been stabilized. Overdue debts have prolonged. Handicrafts, by and large, continue to decline. The capital accumulation of the economy remains small. The population growth rate remains high and the unemployment rate has increased further. Some segments of the population still encountered living difficulties. The situation of contempt of law in terms of coercion and oppression of the people, and corruption has become serious. Smuggling, frauds, and illegal income together with the development of social vices have not been checked.

The above situation stems from deep-rooted causes and objective factors which cannot be overcome in a short period of time. However, subjectively speaking, the prominent shortcoming is that the large-scale management policy has presented some loopholes, especially in the financial domain. The state of scattered and dispersed budgetary revenues and expenses has lasted for too long because of extensive subsidies and credits. The mechanism of foreign exchange management is ineffective and unable to prevent the waste of foreign exchanges. There have been a lack of estimates and timely action to effectively cope with the soaring prices of gold and US dollars. The domains of state-owned and collective economies and order in export and import have been slowly rearranged.

Organizations in the state machinery to include central sectors and cadres have not changed promptly according to the requirements of the new mechanism. Many cadres have no suitable competence. Some of them lack both ability and quality. The retraining and screening of cadres to meet the new management requirements of the state and other business installations has not been conducted sufficiently.

What is important and should be stressed here is that we must assess the extent of difficulties and problems and the new capacities and opportunities in 1992 and subsequent ones. We all have realized the difficulties and obstacles when entering the year 1992.

It is important to assess the difficulties and obstacles as well as the new capabilities and opportunities which may present themselves in 1992 and subsequent years. We are fully aware of the difficulties and ostacles we will have to face in 1992. The absence of order and discipline, lack of respect for the law, corruption, bureaucratism, and attempts to coerce and bully the people are special cause for concern. Furthermore, we must cite a lack of respect for rules and regulations on the part of state agencies as well as chaos on the economic, cultural, and social fronts. Social order is yet to be maintained.

Reactionary forces are trying by all means to take advantage of those developments to aggravate our difficulties and loopholes. At the same time, they avail themselves of a change in the balance of forces in the world to undermine our renovation undertaking.

We should not underestimate those complicated developments. On the other hand, we should correctly evaluate new capabilities and better opportunies created by the situation in 1991.

In spite of very acute difficulties, the political situation in our country remains stable, our economy has experienced no major upheavals, and the renovation undertaking is going on, bringing about positive changes. We have drawn more experiences in leadership and management, and good models have emerged in many fields. We have produced more material wealth, notably electricity, oil and gas, food, and export products. These, together with the peaceful settlement of the Cambodian issue, the normalization of Sino-Vietnamese relations, the resumption and development of our relations with Southeast Asian countries, have created a new posture for our relations with the outside world.

Recent developments have testified to an increasing trust in and goodwill for Vietnam from the world community, especially from countries in the region. In fact, many countries have resumed and broadened their official relations with Vietnam.

Many obstacles still lie ahead and we still need to make greater efforts. However, there have emerged new opportunities for us to broaden our relations with many countries in the world and the region on the basis of mutual interest, bearing in mind the need to use our own capabilities while at the same time taking advantage of all sources of capital and technology to bring into full play local sources of strength to achieve socioeconomic stabilization and development.

The new developments at home and abroad create new opportunities for and also require us to sharpen our determination to adopt specially bold measures to reverse our socioeconomic situation to help our country tide over the current crisis and advance more quickly.

1992 and the ensuing years are of decisive importance. Economic, cultural, and social stabilization and development constitute the fundamental conditions for maintaining political and ideological stability. They are also the key factors for our country to create a firm posture.

It is necessary to fully understand the situation and grasp the new capabilities and opportunities. It is important to sharpen the will to surge forward and substantiate it with the greatest efforts and most practical measures to enhance the efficiency of leadership and management. It is imperative to rally the people in a mass movement to overcome difficulties and obstacles in order to lead the country forward.

II. Economic tasks.

The central task of this period is to continue stepping up the renovation undertaking to lead the country out of the socioeconomic crisis and create the necessary momentum for a quicker development.

To this end, we must establish order and discipline of the new mechanism and in the process of development we need to step by step make the market and social relations healthier. This is actually aimed at creating the environment and conditions to give full scope to our potential in mental and manual labor, in land and other resources, and in capital and property in each family, each collective and the whole society. At the same time, we must make good use of the new capacities brought about by broadening our economic relations with foreign countries.

It is necessary to formulate sound policies to meet the requirements of the situation, to fully exploit all potential, and to take advantage of all favorable conditions to accelerate the socioeconomic stabilization and development program.

The aforementioned tasks and solutions—implementing an anti-inflation program; gaining higher labor productivity; building key projects; settling the unemployment problem; adjusting the wage system a step further; consolidating and improving the quality of educational, public healthcare, cultural, and scientific activities; restoring and developing public utility projects; and maintaining national defense and national security—pose great, urgent problems, and require many sources of strength, especially capital.

In its report to the National Assembly, the Council of Ministers has defined the forms, policies, and measures to exploit all sources of strength in and outside the country, with special importance being attached to those measures necessary to fully exploit all sources of strength in the country and to bring into full play all national potential.

One of the important factors is that in 1992, efforts must be made to effect a basic state budget adjustment covering budget-balancing measures, improvement of the budget allotment control system, establishment of financial discipline, and enhancement of financial affairs and state management inspection.

If we want to have a uniform financial system, we must stop having state agencies collect some revenues for their own expenditures which are not included in the state budget nor subjected to the central government's regulations and financial control system. No developed and developing nations in the world operate their financial and budgetary system in as scattered a fashion as we do. A number of developing countries have taken stern measures to ensure their central governmets' power in budgetary control. If we want to attain accumulations to expand production capability to develop the economy, we must end the condition of having a scattered budget and stop allowing a number of state-run enterprises to engage in export-import activities by taking advantage of the financial autonomy system to spend the money in a wasteful manner. We cannot let things go as in the present time, nor can we call for efforts to improve the situation by using hollow slogans, but must formulate concrete policies to guide and control expenditures and encourage saving and investment in various forms—including coercive saving forms through a regulated tax system and other measures. We must stop the degradation at schools, hospitals, cultural and artistic activities, and other social welfare projects. We must also strive to overcome the degration of roads, seaports, public communication facilities, airports, and at electric and water supply agencies.

While striving to stop these degradations, we must make great efforts to improve the backward condition of the socioeconomic infrastructure. This requires us to accumulate a large sum of capital for our economy and a vast budget for projects.

It is also necessary to say that the wage system of the administration, occupation, national defense, and security sectors is deteriorating. This shortcoming indicates that we have a distribution system in defiance of the rule of law. As a result, it obstructs social production capacity, adversely affects the maintenance of social order and safety, and encourages social vices. We must determine the state's power to mobilize and distribute socioeconomic gains through a budget allocation system to step by step fundamentally resolve the wage issue.

The rate of contribution to the state budget at present remains low compared with those countries having the same level of economic development as our country. We still cannot expect that the rate of budget revenue will quickly increase in 1992. Nevertheless, we must realize that an effective, uniform budget would help increase the sources of revenue due to a correct revenue collection system, an effective revenue management network, a plan to avoid losses, and a method to economize expenditures. Such measures would create conditions for the state to meet a number of very urgent spending requirements.

In 1992, we must strive to effect fundamental changes of the stage budget in two fronts. First, we must reorganize the budget allocation system and promulgate a series of uniform regulations allowing the central government to exert overall budget control to achieve a uniform national financial system. Second, we must readjust the budget structure into two segments: The collecting segment must ensure sufficent money for regular spending and debt payments, while the spending segment is responsible for investment in developing the socioeconomic infrastructure—the government will seek loans for this kind of investment. As for investment in state-run business operations, which has so far been funded by the state budget, now the state-run business sector must obtain loans itself based on its own business requirements. Due to the unclear procedures for regular spending and investment spending for developoment as well as the lack of an appropriate balancing method for each kind of expenditure, we were unable to appropriately settle the regular spending as well as the investment spending. When we could not settle this issue, we tend to resort to issuing money to cover budgetary expenditures. This is the main cause of inflation, a vicious circle obstructing the economic growth, and one of the causes creating unhealthy socioeconomic relations.

Knowing our weaknesses, I hope that we will step by step try to improve our revenue collection while striving to fundamentally settle the regular spendings, especially wages for personnel of the national defense, security, cultural, education, public health, and science development agencies. We must also find ways and means to seek loans from sectors at home and abroad to improve the socioeconomic infrastructure.

State-run business establishments must determine by themselves to seek loans for their operation if they forsee profit in running their business. Naturally, the government will give guidance to these establishmenets, and in some special cases, will provide financial support. We must seek loans to invest—invest by using both permanent and liquid assets—to encourage business establishments to truly enhance the sense of responsibility in doing business for profit without relying on the state and competing for capital allocations provided by authorized state agencies.

This is also a factor to ensure fairness and equality among business enterprises of various economic sectors, and to restrict corruption and waste. Besides the state budget and business finances, there still is quite a large source of funds among the people which are being stored under many different forms and are certainly severalfold larger than the savings in banks. There is still also ample possibility to save even more by refraining from some of the unnecessary expenses such as building houses, buying motorized vehicles and household appliances, and so forth, or by reducing wasteful expenses to use funds in production and business.

I think the 1992-95 period is a very important juncture for national development and an opportunity to bring into play the traditional willpower and national respect of our people. Faced with the new situation, every person and every economic sector has found his and its own position and personal interests. They must contribute all their abilities and assets to the development of all economic, cultural and technological domains in order to enrich themselves and the country.

Our state must promptly formulate very specific and appropriate policies to meet the legitimate aspirations for enrichment to attract all the people and economic sectors toward working in that direction. A definitely effective procedure for mobilizing this source of assets is to create favorable environments and conditions for the people to feel at ease in voluntarily making investments in business under many forms to develop agriculture, forestry, and fishery in close connection with the industries to process consumer goods and exports and to expand services.

In the past few years, the private economy has generally developed a step further in the right direction, namely in terms of ready-made clothes and processed agricultural and maritime products for export, textile, service, and so forth. It has mobilized many investments and absorbed much labor. This has demonstrated a possibility for further development which we should encourage to tap the capital, skills, technical innovations and progresses and managerial ability, and also this sector's relations with foreign countries.

Noteworthy is that the private corporation and business enterprise law has been implemented too slowly. Many sectors have not received any guidance to implement the law. Nor have they received any document to amend those stipulations at variance with this law, or to add new ones to the law.

Some localities have established inappropriate regulations that even conflict with the contents of the law and the regulations of the Council of Ministers. This has caused difficulty to owners of enterprises in obtaining licences and registering their businesses. Apart from the need to expeditiously provide the required guidance, we should also shift the orientation of our educational and propaganda tasks to enhance the people's knowledge so that they can contribute their funds to the establisment of corporations. We should gradually form the habit of mutual trust and a sense of joint obligation in terms of business interests and responsibilities of shareholding corporations.

Banks must learn and struggle to become progressively agents common to both sellers and purchasers of shareholdings. The state must formulate policies on privileges of taxes and credits at special rates for certain given periods toward all those who invest in development. Those who should be given priority are people leaving the state and Army rolls. Those domains to be encouraged are those which can effectively use natural resources, much labor, fallow land and bare hills to grow valuable industrial crops, and so forth. These people and domains should be given even better privileges.

To exploit the strength of those who have funds but not the capability or conditions to invest on their own in business, apart from using their savings, we should pay attention to other forms, particularly the forms of contributing shares and buying share certificates among which the present breakthrough is to shift some of the state-owned enterprises capable of attracting investments into shareholding corporations that constitute a form of joint private-state ownership. This form must involve both the existing and newly established enterprises.

This is also an important measure to help consolidate, develop, and enhance the efficiency of the state economy for the following reasons:

One, it attracts more capital from the people and foreign countries to benefit the development of enterprises. At the same time, it enables the state to accumulate capital to invest in other necessary projects. Second, because office and manual enterprise workers may purchase a limited number of shares on a preferential basis, they become the actual owners of the production facilities and henceforth attach more importance to the efficiency of the operations of their enterprises. Third, it creates the basis for the board of management, which represents the state and other owners, to establish its mechanism and perform actual work in state enterprises.

Regarding those enterprises playing a key role in the economy, it is necessary to adopt the 100-percent state-ownership system. As for other state enterprises, the state should maintain a high percentage of shares to secure the right to control the board of management.

Thus, the economic structure will be built on varied forms of ownership, namely business establishments owned by the state, mixed business establishments owned by both the state and single individuals, corporations formed by single individuals, and business establishments owned by the various private parties. This is not at variance with the multisectorial economic development pattern. On the contrary, it creates the environment and mechanism for pooling all sources of capital to benefit both the state and people.

The presence of the board of management would guarantee conditions for the enterprises to better preserve and develop their capital as well as to oversee spending and income distribution.

Of course, share-holding work must meet certain conditions based on concrete requirements and must be carried out step by step to guarantee steady results. It is necessary to conduct experimental work and draw experiences before giving the green light.

By establishing shareholding corporations under several different forms, we will create premises for shaping up stock exchange, an essential form to mobilize, transfer and effectively use the source of funds in the national economy.

Concerning the overseas source of funds, there should also be imperative policies to mobilize them to the highest extent to create conditions for developing the domestic source of funds. At the present juncture, we should have special preferential policies and supplement various policies and measures to increase attractiveness for foreign countries to invest, particularly in those sectors and regions which need such investment.

Attention must be paid to attracting direct foreign investment in rehabilitating and expanding the existing installations, in building new ones, especially those to produce exports and provide services for foreign exchange, and in exploiting and processing natural resources. At the same time, we should also take into account getting foreign loans at acceptable interest rates for a certain period to build such key projects as electricity distribution installations and electricity supply networks, gas pipelines, water conservancy projects, nitrogenous fertilizer factories, oil refineries, harbors and airports.

It should be stressed that loans must be used only for investment in development and not routine expenses. Results of investment must be carefully calculated and there must be projects for rapid construction and prompt utilization to bring about quick results.

Part III

BK1412041391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 10 Dec 91

["Part III" of the SRV Council of Ministers report delivered by its Chairman Vo Van Kiet at the 10 December opening meeting of the Eighth National Assembly's Tenth Session—read by announcer]

III. Regarding Socioeconomic Problems

Shifting to a market-oriented economy at a time when science, technology, and intellect have, in general, become a decisive factor in development, we must definitely affirm the need to preserve and develop culture with a thorough understanding that the economy and culture are linked closely to each other. The economy cannot develop itself without a cultural foundation while culture is not a principal product of the economy.

The most dynamic, effective, and stable way to develop the country is to develop it on the basis of a dexterous combination of the economy and culture. We must affirm that adopting an open-door policy on the economic front does not mean that we can carry out economic development without selected culture and art, that practicing the multicomponent commodity economy does not mean that we can advocate multicomponent culture and ideology, and that applying a market-oriented mechanism in management does not necessarily mean that we have to shift all cultural and artistic activities to a business system.

Perhaps these incorrect viewpoints have made it impossible for many state policies on culture and art to be fully implemented. Our national cultural tradition is facing the danger of decline, as it has had a tendency to come under the influence of alien culture and even decadent and reactionary culture. A tendency to commercialize culture and art is also on the rise.

This, which constitutes the real state of grave concern, requires that we pay great attention to replenishing and modifying various specific systems and policies in all parts aimed at promptly preserving and promoting our national cultural and artistic heritages and encouraging and creating favorable conditions for the establishment of new cultural and artistic values deeply imbued with the national characteristics of Vietnam to meet the needs of our time.

Talking about the role of culture in our present society, I would like, first of all, to emphasize the standard of knowledge of our people in the face of the new situation. Because only with a profound understanding of our epochal characteristics and of our capabilities can we forecast what will happen to society tomorrow and map out the correct steps for advancement. For this reason, in the cultural domain we must consider the improvement of the intellectual standard of the people, the development of literature and art, and the augmentation of our people's intellectual and creative strengths as the first and foremost tasks. This is aimed at promptly approaching new problems and quickly turning the achievements of the world's advanced science and technology into our own strength.

We have had many highly encouraging models in applying new scientific and technological findings to production, such as crossbreeding various rice varieties and using new techniques in industrial production. A look at the realities makes it obvious to see that our scientists, who are very creative and imbued with practical ability, are attaching themselves ever more closely to actual production.

The important thing at present is that we should organize or rearrange all scientific research establishments, including institutes, centers, and colleges, and all scientists should concentrate on various practical subjects. It is necessary to successfully bring into full play the potential of the contingent of scientists with policies than can truly encourage talent and creativity.

Recently, while seeking an understanding of development in some Asian countries, I came upon the issue of developing a national cultural tradition. In these countries, people have boldly and most quickly acquired the new scientific and technological findings and civilization of mankind. Meanwhile, they particularly value and preserve the quintessences of national culture in their daily life, as well as in their family and social activities.

It can be said that the combination of mankind's intellectual achievements with national cultural traditions have become a general requirement of development. This is a remarkably useful experience consistent with our people's tradition, that should be used most effectively by our people in national construction.

We note with great pride that from the time-honored and diversified tradition of our nation, there exist extremely enormous spiritual energies. This accounts for the extraordinary vigor in fighting and production, the profoundly collective sense toward families and the country, the bounteous love for the fatherland, the pride in the glorious past of the nation, the intellect and creativity, and the will to overcome difficulties and ordeals in particular.

We must necessarily preserve and even more, restore these traditions to create a new strength in our development process. The report to the National Assembly on the orientations and tasks of socioeconomic development has covered the policies and measures to develop the cultural and artistic sectors with a very clear sense of linking the economy closely with culture. In the very year of 1992, we must make a definite step toward change in these domains.

We must continue to raise the quality of cultural activities, renovate the contents and methods of education and training, and propagate technology to meet the requirements of raising the people's intellectural standard. We should pay more attention to the cultural and artistic sectors in order to bring about ever richer spiritual welfare benefits for our people.

Regarding the mechanisms and policies to stimulate the activities of national culture and to foster and treasure talents, the government must go even further to continually and very specifically settle these issues in conformity with the characteristics of each cultural and artistic form, and cannot apply them mechanically like the administrative agencies or production and business organizations have. Here, we should distinguish clearly which activities should be shifted to the cost accounting system, which ones should be subsidized financially, and what are the proper extents of financial aid. Evidently, not only the state budget will be involved in the increase of investment in culture and arts but there should also necessarily be contributions from the people which can be certainly obtained while, at the same time, the assistance of international organizations must be secured.

I would like to further call your attention to the necessity of paying even more attention to sports and physical training activities which are very closely related to increasing the physical strength of all the people to meet the requirements of the active and urgent work of the new mechanism. Sports also makes important contributions to increasing the people's knowledge about the tight relationship and friendship among nations. The achievements, though still modest, of our athletes at the 16th Southeast Asia Games have demonstrated this point. At the same time, they remind us of our responsibility to pay special attention to the advanced training of promising genius in this field.

In 1992, we must continue to pay special attention to further settling the issue of social policies, particularly the problems of jobs, wages, retirement pay, and other matters of social policy. With regard to jobs, the fundamental guideline for establishing jobs is to develop the latent potential of various economic sectors, and the country's other capabilities in terms of land and natural resources, and to expand economic cooperation with foreign countries. We should harmoniously combine workers' efforts to create and seek jobs on their own with the state responsibility for creating mechanisms, policies, and environments. We must make targeted investments, build the infrastructure, and encourage the job placement centers to conduct basic and refresher training for workers.

Through various incentive policies, we will optimally develop all sources of potential in the country, particularly seek a source of capital from among the people while simultaneously securing all abilities from abroad. Beginning in 1992, job arrangement plans will be established in close connection with the various economic development programs with priority given to those programs creating many jobs and employing many workers. These programs will be continually concretized into investment projects in which economic results, working conditions and preferential policies will be defined clearly in order to attract the capital and manpower of those who want to join, including foreigners' capital.

Along with solving the problem of jobs for workers, we should pay even more particular attention to the task of population control and family planning about which the importance has been stressed several times but the results achieved in fact are still too low. The population growth planning that is linked to the care for mothers and infants, and to fostering future generations and the building of happy families, is a very important scope of economic development. This year, we also begin to implement a national program for children which is linked all the more closely to the population program.

We welcome all countries and international organizations which have been contributing efforts to this significant cause of our country. At the same time, we should stress the responsibility of all administration echelons and mass organizations, and overcome the practice of giving carte blanche to responsible agencies.

This paramount task should be organized and implemented strictly and scrupulously to mobilize by all means the abilities of the entire society. It should be reminded that all administration echelons and operational organizations as well as publically elected organs and social and religious organizations, and so forth are all responsible for participating in this task and adequately performing their duties. Only by doing so, can we step by step ensure the maintenance of population growth at a reasonable rate in the coming years to conform with the economic development rate.

As for wages: Our enduring and principal difficulties are our oversize apparatus and cumbersone organization. Not much could have been done when our budget was tight. Also, it is now time for us to stop increasing basic wages just to keep pace with the currency devaluation as this does not address the real problem. We should not continue maintaining the unfair state of wages because there are many other items that needs subsidies.

Workers, civil servants, pensioners, and those entitled to welfare continue to face numerous difficulties. We all know that the fundamental renovation of the wage system is a complex task that needs to be carried out harmoniously. It ranges from the reorganization of operations, the streamlining of personnel, and the reclassification of pay scales in accordance with the new management mechanism. This must be done in conjunction with efforts to reorganize the lives of workers who have been made redundant as a result of this streamlining, and to tackle various social welfare policies and so forth.

The Council of Ministers has carried out some of these tasks in 1991. However, facts show that we can only do this on a step-by- step basis.

We should take the renovation of the wage system in administration and services sectors a step further in 1992. Regarding retired cadres, those entitled to welfare, and members of the armed forces, including the public security force, it is necessary to continue to renovate the wage system so that it can be completed by 1993. This is urgently required in order to increase the effectiveness of various state management organs and those in charge of maintaining the law, national defense, and security. It is also needed especially for those contributing to the development of the cultural, educational, and public health sectors in maintaining social stability.

If we satisfactorily solve the livelihood problems of workers and civil servants in these sectors, this will smoothen state management and help maintain public order and discipline.

For retired cadres, families entititled to welfare, and families of disabled soldiers and fallen heroes, we are fully aware that we should give them more care. This does not only mean providing them with pensions and allowances but also with uniform policies to help them get jobs, increase their incomes, and so forth. This is the way the state shows its responsibilities and regard for these families, those whose members have contributed time and energy to national construction and defense. Cadres in charge of implementing state policies at various echelons should be fully aware of this so they can perform their duties more satisfactorily. They should especially avoid causing any inconveniences to families who are entitled to welfare.

Presently, we have achieved some, though not much, improvements for workers and civil servants in production and business units. There is still unfair treatment in the various enterprises, branches and trades. The Council of Ministers report at the National Assembly have put forward various measures to tackle this problem.

Apart from tackling these problems, in 1992, there would be efforts made to drastically improve the organization and activities of these organs. Especially, efforts would be made to restore order and discipline in state organs at various levels. Also, the functions and duties of state management and of each public organ would be further defined. Staffing would be redeployed on this basis and the activities of each public organ would be put onto the right track. We should definitely consolidate the activities of various law enforcement agencies such as the inspection and public security organs, people's organs of control, and judicial and juridial agencies. This is to fully develop the right to mastery of these organs, reflect the strictness of the law, and maintain the confidence of the popular masses in law enforcement agencies.

Part IV

BK1412140591 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 11 Dec 91

["Fourth and Last Part" of the SRV Council of Ministers' Report delivered by its Chairman Vo Van Kiet at the 10 December opening meeting of the Eighth National Assembly's Tenth Session—read by announcer]

[Text] Reforming the state machinery is part and parcel of the renovation of the political system. This important task will bring into play the efficiency of the state itself and enable it to organize, operate, and ensure its legality. Presently, the organization and operation of state agencies have generated many functions that are inappropriate to the requirements in the renovation of the economic mechanism. This occurs primarily in large-scale management. Here, many duties are neglected as management directly intervenes in production, business, and professional units. This is a major shortcoming which has continued to limit the results of economic renovation.

Reforming the state machinery is an objective requirement that enables it to conform, serve and promote the renovation itself. In the years to come, following the guidelines of the amended constitution, we should be able to distinguish and clarify the functions and operating procedures of the various organizations of the state machinery. We should distinguish state organizations from business and professional units, build a scientific organizational structure and an operational mechanism for the state, and form a contingent of sufficiently competent cadres to suit the new mechanism.

We have to perfect the legal system as this is most important in building and developing the effectiveness of the state machinery and in ensuring the people's freedom and democracy. We must promptly formulate and perfect the law on the state organization, laws on citizens' rights and duties to the country, business law for the multisectorial economic mechanism, and laws for settling disputes among business enterprises and between state agencies and citizens.

Administrative apparatus reform in the future must continue to clarify state management control of the government, the ministries and administrative agencies at all levels over the economy in general, and over business enterprises of various economic sectors in particular. This is to allow administrative agencies to shift from direct intervention in the duties of production and business of economic enterprises to mainly regulating the activities of all economic sectors through laws and economic leverage. Adminstrative agencies will also be able to intensify their tasks of inventory and controlling all economic activities.

To achieve this, we should gradually streamline the redundant structures of specialized organs of the government and administrative agencies at all levels. We must examine each agency and reorganize it into small units managed by efficient staff who are capable of running it according to the new mechanism.

Whether the administrative apparatus can operate efficiently will depend considerably on state employees. Therefore, apart from reforming the machinery, we should also renovate recruitment, employment and remuneration in the state administrative agencies. Cadres must be placed according to state regulations on employees. This should be in line with the socioeconomic situation and the intellectual level of our country to meet the requirements of renovating the state administrative management task and its gradual standardization.

We must by all means overcome bureaucratism and authoritarianism, which is linked to the widespread corruption in various state agencies. Particularly, we must fight bureaucratism through concrete measures. Cadres of the administration at all levels and state management agencies should devote even more time to going down to grass roots installations to solve the urgent requests of the people and primary installations.

Cadres must set the example by their deeds as often jobs have been abandoned. They should avoid appealing to the people with empty words. We must instill in all cadres a high sense of responsibility for their own duties in each sector and each locality and have them take an interest in the problems of the people in the various regions. They must listen to them and assess the effect of their decisions. They must struggle against the abuse of power and position for personal gain which is to the detriment of common interests, bribery and graft, the wanton spending of public funds, oppression and so forth.

Finally, I would like to stress a fundamental requirement that will determine the success or failure of all tasks, positions and policies. This is the establishment or order and discipline according to the new mechanism. Everyone knows that disorder and indiscipline and contempt of state law in all domains of social life has reached a dangerous level. It is necessary to overcome the incorrect belief that this situation is inevitable as we shift to the market mechanism.

We are only at the initial stages in this shift and we are implementing an open policy. However, order and discipline has already slackened badly, and this has affected the renovation process greatly. Not only has it caused material damage, the inherent nature of Vietnamese people has also deteriorated. If we do not stop or remedy this, our renovation efforts which are achieved at great pains, will be changed and can lead to adverse consequences.

What should be asserted is that any economic mechanism must have its own order and discipline. Otherwise, it is impossible to have stability and development. Formerly, minor felonies could be somewhat justified by alleging that the old mechanism was in operation. Now, although the system of laws and institutions of the new mechanism are still poor and further effort must be needed to supplement and perfect them, a legal environment is in shape to ensure improved socioeconomic activities. Although the establishment of order and discipline according to the new mechanism is pressing, it already has a necessary legal basis. This does not mean a return to the old mechanism or a restraint on creative abilities. Instead, this is now a key task for stabilizing the socioeconomic situation and for creating the basis for development. It involves both domestic and foreign investments, the foremost guarantee of political stability.

Economic order involves business enterprises in all economic sectors. They must run their business in accordance with the law, observe financial discipline, create healthy market relations, compete with one another in productivity and quality, and oppose injustice in distribution which upsets the values of society. This is a basic condition for fighting inflation, stabilizing a large-scale economy and for ensuring the safety for all business operations. At the same time, this is a basis for fighting speculation, smuggling and corruption.

Along with our open-door economic policy, we must attach special importance to the preservation and development of the good moral values and fine traditions of our nation. To establish order in culture and arts does not necessarily mean to curb efforts to reach out to the outside world or create new work. Instead, we only mean to curb illegal activities aimed at importing and propagating harmful and decadent cultural materials. Steps must be taken to gradually improve the quality of educational, scientific, and cultural activities in our country.

The establishment of social order must involve the most fundamental and most basic activities. These may range from efforts to maintain public order and make the environment healthy in order to carry out social activities to attempts to guarantee security for citizens' lives and property.

The struggle to establish order and discipline to guarantee conditions for the application of the new mechanism is complicated and difficult. It is of primary importance for leading officials in charge of the various ministries and people's committees to set examples in implementing regulations governing order and the maintenance of discipline. At the same time, it is necessary to devote the greatest efforts to establishing order and discipline in each sector and each locality. This is a decisive factor for launching a widespread movement in society to establish order and discipline in all areas of activities in accordance with the law.

Dear presidium and comrade National Assembly deputies: So far, I have presented some general points providing the groundwork for the various projects mentioned in the report submitted to the National Assembly by the Council of Ministers.

So far, thanks to the renovative lines chartered by the sixth party congress and perfected and developed by the seventh party congress, the economic mechanism has recorded changes for the better, giving rise to new strengths and new capabilities for development.

The years 1992-95 will be a very decisive period in the process that will take our country to prosperity and our people to a bountiful and happy life. Our nation is endowed with extremely glorious traditions. Our people are intelligent and resourceful. We are determined not to allow poverty and backwardness to drag on and on in our country. Time is on our side. Let's make use of all national potential in terms of material and spiritual resources to accelerate the renovation undertaking in all domains.

The year 1992 must mark the beginning of the process of taking renovation to a new period in which the central task is to make the economic and social relations healthier in conformity with the law and the market mechanism.

May I propose that the National Assembly develop its collective wisdom, make a profound analysis of the socioeconomic background and link it to the international situation, give advice, and make decisions on the socioeconomic orientations and tasks for the 1991-95 five-year period and the year 1992 to help our country advance more vigorously.

Thank you, comrade deputies.

Korean Nonaggression Pact Welcomed, Praised

BK1412042491 Hanoi VNA in English 0340 GMT 14 Dec 91

[Text] Hanoi, Dec 14 (AFP)—Vietnam on Saturday welcomed the non-aggression pact between North and South Korea, calling it a "historic" step towards the reunification of the peninsula.

The agreement, signed Friday in Seoul, "will create a climate of detente and open up perspectives for the reunification of Korea," the Communist Party newspaper NHAN DAN said.

To generate "total mutual confidence," the daily continued, Seoul and Pyongyang need to negotiate the reduction of their Armed Forces, the withdrawal of U.S. troops from South Korea, an end to U.S.-South Korean joint military exercises and inspection of nuclear weapons on the peninsula.

Vietnam, itself a divided country until the war ended in April 1975, recognizes the North Korean Government.

Foreign Minister To Visit Cambodia 'Shortly'

BK1412095891 Hong Kong AFP in English 0943 GMT 14 Dec 91

[Text] Hanoi, Dec 14 (AFP)—Vietnam's Foreign Minister Nguyen Manh Cam will shortly visit Phnom Penh at the invitation of Prince Norodom Sihanouk, president of Cambodia's Supreme National Council (SNC), diplomats said here Saturday.

The dates of the visit "have not definitely been set," but it will take place before the end of December, a Cambodian diplomat said.

Prince Sihanouk postponed until April a visit to Vietnam and Laos due to take place this month after the attack on the Khmer Rouge leaders Khieu Samphan and Son Sen in Phnom Penh at the end of November forced them to leave Cambodia.

"Cam's visit is important because it will allow the establishment of new relations between the two countries," a European diplomat said.

"The Vietnamese aren't dreaming of any special relations between the two countries. The most they can hope for is a neutral and friendly Cambodia," he said, adding the Hanoi government was "realistic and pragmatic."

Any attempt to maintain the "special relations" which had existed between Hanoi and Phnom Penh during the 1980s "would be dangerous and difficult" for Vietnam, largely because of the negative reaction of China, another diplomat said.

Vietnam has just normalised its relations with China, the principal backer of the Khmer Rouge.

Prince Sihanouk returned to Cambodia in November to take up the presidency of the SNC, the body formed to group all Cambodia's factions during the interim period until elections forecast for 1993 are held as agreed in the U.N. peace plan for Cambodia signed in October in Paris.

Cambodian Ambassador to Hanoi Uch Borit said relations between Hanoi and Phnom Penh "must take into account the new reality of and the changes which have occurred in the last few months."

Prince Sihanouk has said he wished to have particularly good relations with his two powerful neighbours, Thailand and Vietnam, as Cambodia's position could not permit any other kind.